

***HOW THE GOVERNMENT DEFRAUDS YOU OUT OF
LEGITIMATE EXCLUSIONS FOR THE
MARKET VALUE OF YOUR LABOR***



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1 Introduction

When most Americans fill out their tax return, they do not take any exclusions relating to the cost of producing the labor that allows them to earn the money they earned. They do not take these exclusions because:

1. They choose the WRONG civil status, that of STATUTORY “citizen” or “resident”, in filing tax returns by choosing Form 1040. People in states of the Union are NOT STATUTORY “citizens” or “residents” and should be filing the IRS Form 1040NR instead, which recognizes EXCLUSIONS. See:
 - 1.1. Non-Resident Non-Person Position, Form #05.020
<https://sedm.org/Forms/FormIndex.htm>
 - 1.2. How to File Returns, Form #09.074
<https://sedm.org/Forms/FormIndex.htm>
 - 1.3. Procedure to File Tax Returns, Form #09.075
<https://sedm.org/Forms/FormIndex.htm>
2. IRS publications do not mention it.
3. There is nothing on IRS Schedule C that allows it.
4. There is no space to write it on the IRS Forms 1040 or 1040NR.
5. They have not read the sections in the Internal Revenue Code that allow it.
6. The Internal Revenue Code does not define the term “personal services” as used in the phrase “compensation for services” within 26 U.S.C. §61(a)(1), which defines “gross income”.
7. There is no pointer in 26 U.S.C. §61 which references exclusions for labor, as indicated in 26 U.S.C. §83 so they don’t receive “reasonable notice” of the excludability of labor within the code itself.
8. The Internal Revenue Code does not talk about the implications of the Constitution, such as the Thirteenth Amendment, upon what can be classified as “gross income”.
9. The nature of the Internal Revenue Code as an indirect excise tax upon “profit” and not “gross receipts” is carefully hidden from the public within IRS publications.

This pamphlet will show why an EXCLUSION for the entire value of one’s personal labor from their “gross income: is warranted in the case of “taxpayers”, how the IRS has managed to prevent people from learning about it, and what you can do to claim it in your case if you are filing a return. This document will prevent the flow of a *huge* unlawful windfall of money to the U.S. government that it is not, in fact entitled to and thereby encourage our public servants to obey the law and the Constitution.

IMPORTANT NOTE: This pamphlet does *not* advocate the position that all the costs of producing one’s own labor (i.e. food, shelter, clothing, health maintenance expenses) should be deducted from the earnings arising therefrom in computing “profit”. Instead, this document establishes that *no part* of one’s own labor constitutes “profit” under Natural Law or within the context of the United States Constitution or the legislative intent of Congress. Others have attempted to deduct the cost of keeping one’s body whole (e.g. food, shelter, clothing, medicine) as a deduction for the production of their own labor. This is a complete misunderstanding of the value of one’s own labor as their own exclusive property, as further established herein with cogent legal authorities. The primary reason why one cannot deduct the costs for producing their own labor is because then the government could tell you what size house you could live in, what car you drive, and what food you eat as reasonable deductions for the production of said labor. We certainly don’t want the government meddling in or dictating *any* of these choices that only we have a protected PRIVATE right to make. If you want an example of how NOT to approach the issues raised in this pamphlet, it may be instructive to read a book by former U.S. Attorney John C. Garrison entitled *The New Income Tax Scandal*. In that book, he wrongfully tries to establish that we should be allowed deductions associated with the cost of producing our labor, rather than the approach established herein of saying that there is no such thing as “profit” in the context of one’s own labor on one’s own tax return.

We are not the first to study or research this issue. This research stands on the backs of many fine researchers who have done work in this area over the years. By far the most prolific source of research on this subject is David Myrland, who began researching and using some of the arguments in this pamphlet in 1996. He maintains the following website:

To Congress, David Myrland
<http://tocongress.com>

1 We also caution our readers that a proper and complete understanding of the subject of this pamphlet is essential to keep you
2 out of trouble if you intend to pursue the position described in this pamphlet in your interactions with the taxing authorities.
3 Some in the past who lacked a complete understanding of this subject have been criminally convicted for preparing tax returns
4 for others based on this position.

5 **2 SEDM Limited to Exclusions rather than Exemptions**

6 SEDM has always focused EXCLUSIVELY on reducing liability through “excluded” income rather than “exempt” income.
7 Below is what our Member Agreement says on this subject:

8 [SEDM Member Agreement](#)
9 1.1 My Status and Standing

10 [...]

11 **13. By seeking the information and services of SEDM, I do not seek to “exempt” my earnings from taxation or to**
12 **reduce my existing tax liability as a “taxpayer” through deductions or exemptions, but rather to EXCLUDE**
13 **earnings that never were subject to taxation to begin with under 26 U.S.C. §872(b). In that sense, I am not seeking**
14 **a “tax shelter”, which is a device used by a statutory “taxpayer” to REDUCE an existing liability. Pursuant to 26**
15 **C.F.R. §1.6662-4(b)(2)(ii), neither SEDM nor I can therefore be subject to accuracy related penalties for tax**
16 **shelters.**

17 *“Initially, it is important to bear in mind the distinction between a tax exclusion and a tax exemption. Tax*
18 *exemptions are items which the tax payer is entitled to excuse from the operation of a tax and, as such, are to be*
19 *strictly construed against the tax payer. Tax exclusions, on the other hand, are items which were not intended to*
20 *be taxed in the first place and, thus, to the extent there is any doubt about the meaning of the statutory language,*
21 *exclusionary provisions are to be strictly construed against the taxing body. In fact, tax laws in general (with the*
22 *exception of exemption clauses) are construed in favor of the tax payer and against imposition of the tax unless*
23 *the legislative intent is clear and unambiguous.”*

24 [*In re Twisteroo Soft Pretzel Bakeries, Inc.*, 21 B.R. 665, 667 (Bankr. E.D. Pa. 1982)]

25 [*SEDM Member Agreement, Form #01.001, Section 1.1, Item 13; <https://sedm.org/participate/member-agreement/>*]

26 **3 Public v. Private**

27 A very important subject is the division of legal authority between PUBLIC and PRIVATE rights. On this subject the U.S.
28 Supreme Court held:

29 *“A private person cannot make constitutions or laws, nor can he with authority construe them, nor can he*
30 *administer or execute them.”*
31 [*United States v. Harris*, 106 U.S. 629, 1 S.Ct. 601, 27 L.Ed. 290 (1883)]

32 If you can't "execute" them, then you ALSO can't enforce them against ANYONE else. Some people might be tempted to
33 say that we all construe them against the private person daily, but in fact we can't do that WITHOUT being a public officer
34 WITHIN the government.

35 **“The reason why States are “bodies politic and corporate” is simple: just as a corporation is an entity that can**
36 **act only through its agents. “[t]he State is a political corporate body, can act only through agents, and can**
37 **command only by laws.”** *Poindexter v. Greenhow, supra, 114 U.S., at 288, 5 S.Ct. at 912-913. See also Black's*
38 *Law Dictionary 159 (5th ed. 1979) (“[B]ody politic or corporate”:* “A social compact by which the whole people
39 covenants with each citizen, and each citizen with the whole people, that all shall be governed by certain laws for
40 the common good”). As a “body politic and corporate,” a State falls squarely within the Dictionary Act's
41 definition of a “person.”

42 [*Will v. Michigan Dept. of State Police*, 491 U.S. 58, 109 S.Ct. 2304 (U.S.Mich., 1989)]

43 If we do enforce the law as a private nonresident human, we are criminally impersonating a public officer in violation of 18
44 U.S.C. §912. Other U.S. Supreme Court cites also confirm why this must be:

45 *“All the powers of the government [including ALL of its civil enforcement powers against the public] must be*
46 *carried into operation by individual agency, either through the medium of public officers, or contracts made*
47 *with [private] individuals.”*

48 [*Osborn v. Bank of U.S.*, 22 U.S. 738 (1824)]

1 “...we are of the opinion that there is a clear distinction in this particular between an [PRIVATE] individual
2 and a [PUBLIC] corporation, and that the latter has no right to refuse to submit its books and papers for an
3 examination at the suit of the state. The individual may stand upon his constitutional rights as a citizen. He is
4 entitled to carry on his private business in his own way. His power to contract is unlimited. He owes no duty to
5 the state or to his neighbors to divulge his business, or to open his doors to an investigation, so far as it may
6 tend to criminate him. He owes no such duty to the state, since he receives nothing therefrom, beyond the
7 protection of his life and property. His rights are such as existed by the law of the land long antecedent to the
8 organization of the state, and can only be taken from him by due process of law, and in accordance with the
9 Constitution. Among his rights are a refusal to incriminate himself, and the immunity of himself and his
10 property from arrest or seizure except under a warrant of the law. He owes nothing to the public so long as he
11 does not trespass upon their rights.

12 “Upon the other hand, the [PUBLIC] corporation is a creature of the state. It is presumed to be incorporated
13 for the benefit of the public. It receives certain special privileges and franchises, and holds them subject to the
14 laws of the state and the limitations of its charter. Its powers are limited by law. It can make no contract not
15 authorized by its charter. Its rights to [201 U.S. 43, 75] act as a corporation are only preserved to it so long
16 as it obeys the laws of its creation. There is a reserved right in the legislature to investigate its contracts and
17 find out whether it has exceeded its powers. It would be a strange anomaly to hold that a state, having chartered
18 a corporation to make use of certain franchises, could not, in the exercise of its sovereignty, inquire how these
19 franchises had been employed, and whether they had been abused, and demand the production of the corporate
20 books and papers for that purpose. The defense amounts to this: That an officer of a corporation which is charged
21 with a criminal violation of the statute, may plead the criminality of such corporation as a refusal to produce its
22 books. To state this proposition is to answer it. While an individual may lawfully refuse to answer incriminating
23 questions unless protected by an immunity statute, it does not follow that a corporation, vested with special
24 privileges and franchises, may refuse to show its hand when charged with an abuse of such privileges. “
25 [Hale v. Henkel, 201 U.S. 43 (1906)]

26 You MUST therefore be an agent of the government and therefore a PUBLIC officer in order to “make constitutions or laws
27 or administer, execute, or ENFORCE EITHER”. Examples of “agents” or “public officers” of the government include all
28 the following:

- 29 1. “person” (26 U.S.C. §7701(a)(1)).
- 30 2. “individual” (26 C.F.R. §1441-1(c)(3)).
- 31 3. “taxpayer” (26 U.S.C. §7701(a)(14)).
- 32 4. “withholding agent” (26 U.S.C. §7701(a)(16)).

33 “The government thus lays a tax, through the [GOVERNMENT] instrumentality [PUBLIC OFFICE] of the
34 company [a FEDERAL and not STATE corporation], upon the income of a non-resident alien over whom it
35 cannot justly exercise any control, nor upon whom it can justly lay any burden.”
36 [United States v. Erie R. Co., 106 U.S. 327 (1882)]

37 So how do you “OBEY” a law without “EXECUTING” it? We’ll give you a hint: It CAN’T BE DONE!

38 Likewise, if ONLY public officers can “administer, execute, or enforce” the law, then the following additional requirements
39 of the law are unavoidable and also implied:

- 40 1. Congress cannot impose DUTIES against private persons through the civil law. Otherwise the Thirteenth Amendment
41 would be violated and the party executing said duties would be criminally impersonating an agent or officer of the
42 government in violation of 18 U.S.C. §912.
- 43 2. Congress can only impose DUTIES upon public officers through the civil statutory law.
- 44 3. The civil statutory law is law for GOVERNMENT, and not PRIVATE persons. See:
45

<u>Why Statutory Civil Law is Law for Government and Not Private Persons, Form #05.037</u> http://sedm.org/Forms/FormIndex.htm

- 46 4. Those who enforce any civil statutory duties against you are PRESUMING that you occupy a public office.
- 47 5. You cannot unilaterally “elect” yourself into a public office in the government by filling out a government form, even
48 if you consent to volunteer.
- 49 6. Even if you ARE a public officer, you can only execute the office in a place EXPRESSLY authorized by Congress per
50 4 U.S.C. §72, which means ONLY the District of Columbia and “not elsewhere”.
- 51 7. If you are “construing, administering, or executing” the laws, then you are doing so as a public officer and the Public
52 Records exception to the Hearsay Exceptions Rule, Federal Rule of Evidence 803(8) applies. EVERYTHING you
53 produce in the process of “construing, administering, or executing” the laws is instantly admissible and cannot be
54 excluded from the record by any judge. If a judge interferes with the admission of such evidence, he is:
7.1. Interfering with the duties of a coordinate branch of the government in violation of the Separation of Powers.

1 7.2. Criminally obstructing justice.

2 **3.1 Introduction**

3 In order to fully understand and comprehend the nature of franchises, it is essential to thoroughly understand the distinctions
4 between PUBLIC and PRIVATE property. The following subsections will deal with this important subject extensively. In
5 the following subsections, we will establish the following facts:

- 6 1. There are TWO types of property:
 - 7 1.1. Public property. This type of property is protected by the CIVIL law.
 - 8 1.2. Private property. This type of property is protected by the COMMON law.
- 9 2. Specific legal rights attach to EACH of the two types of property. These “rights” in turn, are ALSO property as legally
10 defined.

11 *Property.* That which is peculiar or proper to any person; that which **belongs exclusively to one**. In the strict
12 legal sense, **an aggregate of rights which are guaranteed and protected by the government**. *Fulton Light, Heat*
13 *& Power Co. v. State*, 65 Misc.Rep. 263, 121 N.Y.S. 536. *The term is said to extend to every species of valuable*
14 *right and interest. More specifically, ownership; the unrestricted and exclusive right to a thing; the right to*
15 *dispose of a thing in every legal way, to possess it, to use it, and to exclude everyone else from interfering with it.*
16 *That dominion or indefinite right of use or disposition which one may lawfully exercise over particular things or*
17 *subjects. The exclusive right of possessing, enjoying, and disposing of a thing. The highest right a man can have*
18 *to anything; being used to refer to that right which one has to lands or tenements, goods or chattels, which no*
19 *way depends on another man's courtesy.*

20 *The word is also commonly used to denote everything which is the subject of ownership, corporeal or incorporeal,*
21 *tangible or intangible, visible or invisible, real or personal, everything that has an exchangeable value or which*
22 *goes to make up wealth or estate. **It extends to every species of valuable right and interest, and includes real***
23 ***and personal property, easements, franchises, and incorporeal hereditaments, and includes every invasion of***
24 ***one's property rights by actionable wrong**. *Labberton v. General Cas. Co. of America*, 53 Wash.2d. 180, 332
25 P.2d. 250, 252, 254.*

26 [. . .]

27 [*Black's Law Dictionary, Fifth Edition, p. 1095*]

- 28 3. Human beings can simultaneously be in possession of BOTH PUBLIC and PRIVATE rights. This gives rise to TWO
29 legal “persons”: PUBLIC and PRIVATE.
 - 30 3.1. The CIVIL law attaches to the PUBLIC person.
 - 31 3.2. The COMMON law attaches to the PRIVATE person.
- 32 This is consistent with the following maxim of law.

33 *Quando duo juro concurrunt in und personâ, aequum est ac si essent in diversis.*
34 *When two rights [public right v. private right] concur in one person, it is the same as if they were **two separate***
35 ***persons**. 4 Co. 118.*
36 [*Bouvier's Maxims of Law, 1856;*
37 SOURCE: <http://famguardian.org/Publications/BouvierMaximsOfLaw/BouviereMaxims.htm>]

- 38 4. That the purpose of the Constitution and the establishment of government itself is to protect EXCLUSIVELY
39 PRIVATE rights.

40 *“We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator*
41 *with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.--**That to secure***
42 ***these [EXCLUSIVELY PRIVATE, God-given] rights, Governments are instituted among Men, deriving their***
43 ***just powers from the consent of the governed.** -”*
44 [*Declaration of Independence, 1776*]

45 The VERY FIRST step in protecting PRIVATE rights and PRIVATE property is to prevent such property from being
46 converted to PUBLIC property or PUBLIC rights without the consent of the owner. In other words, the VERY FIRST
47 step in protecting PRIVATE rights is to protect you from the GOVERNMENT’S OWN theft. Obviously, if a
48 government becomes corrupted and refuses to protect PRIVATE rights or recognize them, there is absolutely no reason
49 you can or should want to hire them to protect you from ANYONE ELSE.

1 5. The main method for protecting PRIVATE rights is to impose the following burden of proof and presumption upon
2 any entity or person claiming to be “government”:

3 “All rights and property are PRESUMED to be EXCLUSIVELY PRIVATE and beyond the control of government
4 or the CIVIL law unless and until the government meets the burden of proving, WITH EVIDENCE, on the record
5 of the proceeding that:

- 6 1. A SPECIFIC formerly PRIVATE owner consented IN WRITING to convert said property to PUBLIC property.
7 2. The owner was domiciled on federal territory NOT protected by the Constitution and therefore had the legal
8 capacity to ALIENATE a Constitutional right or relieve a public servant of the fiduciary obligation to respect
9 and protect the right. Those domiciled in a constitutional but not statutory state and who are “citizens” or
10 “residents” protected by the constitution cannot alienate rights to a real, de jure government.
11 3. If the government refuses to meet the above burden of proof, it shall be CONCLUSIVELY PRESUMED to be
12 operating in a PRIVATE, corporate capacity on an EQUAL footing with every other private corporation and
13 which is therefore NOT protected by official, judicial, or sovereign immunity.

- 14 6. That the ability to regulate EXCLUSIVELY PRIVATE conduct is repugnant to the constitution and therefore such
15 conduct cannot lawfully become the subject of any civil statutory law.
16 7. That the terms “person”, “persons”, “individual”, “individuals” as used within the civil statutory law by default imply
17 PUBLIC “persons” and therefore public offices within the government and not PRIVATE human beings. All such
18 offices are creations and franchises of the government and therefore property of the government subject to its exclusive
19 control.
20 8. That if the government wants to call you a statutory “person” or “individual” under the civil law, then:
21 8.1. You must volunteer or consent at some point to occupy a public office in the government while situated
22 physically in a place not protected by the USA Constitution and the Bill of Rights....namely, federal territory. In
23 some cases, that public office is also called a “citizen” or “resident”.
24 8.2. If you don’t volunteer, they are essentially exercising unconstitutional “eminent domain” over your PRIVATE
25 property. Keep in mind that rights protected by the Constitution are PRIVATE PROPERTY.
26 9. That there are VERY SPECIFIC and well defined rules for converting PRIVATE property into PUBLIC PROPERTY
27 and OFFICES, and that all such rules require your express consent except when a crime is involved.
28 10. That if a corrupted judge or public servant imposes upon you any civil statutory status, including that of “person” or
29 “individual” without your consent, they are:
30 10.1. Violating due process of law.
31 10.2. Imposing involuntary servitude.
32 10.3. STEALING property from you. We call this “theft by presumption”.
33 10.4. Kidnapping your identity and moving it to federal territory.
34 10.5. Instituting eminent domain over EXCLUSIVELY PRIVATE property.
35 11. That within the common law, the main mechanism for PREVENTING the conversion of PRIVATE property to
36 PUBLIC property through government franchises are the following maxims of law. These maxims of law MANDATE
37 that all governments must protect your right NOT to participate in franchises or be held accountable for the
38 consequences of receiving a “benefit” you did not consent to receive and/or regarded as an INJURY rather than a
39 “benefit”:

40 *Invito beneficium non datur.*
41 *No one is obliged to accept a benefit against his consent. Dig. 50, 17, 69. But if he does not dissent he will be*
42 *considered as assenting. Vide Assent.*

43 *Quilibet potest renunciare juri pro se inducto.*
44 *Any one may renounce a law introduced for his own benefit. To this rule there are some exceptions. See 1 Bouv.*
45 *Inst. n. 83.*
46 *[Bouvier’s Maxims of Law, 1856,*
47 *SOURCE: <http://famguardian.org/Publications/BouvierMaximsOfLaw/BouviereMaxims.htm>]*

48 For an example of how this phenomenon works in the case of the Internal Revenue Code, Subtitles A and C “trade or business”
49 franchise, see:

Why Your Government is Either a Thief or You are a “Public Officer” for Income Tax Purposes, Form #05.008
<http://sedm.org/Forms/FormIndex.htm>

50 As an example of why an understanding of this subject is EXTREMELY important, consider the following dialog at an IRS
51 audit in which the FIRST question out of the mouth of the agent is ALWAYS “What is YOUR Social Security Number?”:

1
2
3 IRS AGENT: What is YOUR Social Security Number?

4
5 YOU: 20 C.F.R. §422.103(d) says SSNs belong to the government. The only way it could be MY number is if I am appearing
6 here today as a federal employee or officer on official business. If that is the case, no, I am here as a private human
7 being and not a government statutory “employee” in possession or use of “public property” such as a number.
8 Therefore, I don’t HAVE a Social Security Number. Furthermore, I am not lawfully eligible and never have been
9 eligible to participate in Social Security and any records you have to the contrary are FALSE and FRAUDULENT
10 and should be DESTROYED.

11 IRS AGENT: That’s ridiculous. Everyone HAS a SSN.

12
13
14 YOU: Well then EVERYONE is a STUPID whore for acting as a federal employee or agent without compensation THEY
15 and not YOU determine. The charge for my services to act as a federal “employee” or officer or trustee in possession
16 of public property such as an SSN is ALL the tax and penalty liability that might result PLUS \$1,000 per hour. Will
17 you agree in writing pay the compensation I demand to act essentially as your federal coworker, because if you
18 don’t, then it’s not MY number?

19
20 IRS AGENT: It’s YOUR number, not the government’s.

21
22 YOU: Well why do the regulations at 20 C.F.R. §422.103(d) say it belongs to the Social Security Administration instead of
23 me? I am not appearing as a Social Security employee at this meeting and its unreasonable and prejudicial for you
24 to assume that I am. I am also not appearing here as “federal personnel” as defined in [5 U.S.C. §552a\(a\)\(13\)](#). I
25 don’t even qualify for Social Security and never have, and what you are asking me to do by providing an INVALID
26 and knowingly FALSE number is to VIOLATE THE LAW and commit fraud by providing that which I am not
27 legally entitled to and thereby fraudulently procure the benefits of a federal franchise. Is that your intention?

28
29 IRS AGENT: Don’t play word games with me. It’s YOUR number.

30
31 YOU: Well good. Then if it’s MY number and MY property, then I have EXCLUSIVE control and use over it. That is what
32 the word “property” implies. That means I, and not you, may penalize people for abusing MY property. The penalty
33 for wrongful use or possession of MY property is all the tax and penalty liability that might result from using said
34 number for tax collection plus \$1,000 per hour for educating you about your lawful duties because you obviously
35 don’t know what they are. If it’s MY property, then your job is to protect me from abuses of MY property. If you
36 can penalize me for misusing YOUR procedures and forms, which are YOUR property, then I am EQUALLY
37 entitled to penalize you for misusing MY property. Are you willing to sign an agreement in writing to pay for the
38 ABUSE of what you call MY property, because if you aren’t, you are depriving me of exclusive use and control
39 over MY property and depriving me of the equal right to prevent abuses of my property??

40
41 IRS AGENT: OK, well it’s OUR number. Sorry for deceiving you. Can you give us OUR number that WE assigned to
42 you?

43
44 YOU: You DIDN’T assign it to ME as a private person, which is what I am appearing here today as. You can’t lawfully
45 issue public property such as an SSN to a private person. That’s criminal embezzlement. The only way it could
46 have been assigned to me is if I’m acting as a “public officer” or federal employee at this moment, and I am NOT.
47 I am here as a private person and not a public employee. Therefore, it couldn’t have been lawfully issued to me.
48 Keep this up, and I’m going to file a criminal complaint with the U.S. Attorney for embezzlement in violation of [18](#)
49 [U.S.C. §641](#) and impersonating a public officer in violation of [18 U.S.C. §912](#). I’m not here as a public officer and
50 you are asking me to act like one without compensation and without legal authority. Where is the compensation
51 that I demand to act as a fiduciary and trustee over your STINKING number, which is public property? I remind
52 you that the very purpose why governments are created is to PROTECT and maintain the separation between "public
53 property" and "private property" in order to preserve my inalienable constitutional rights that you took an oath to
54 support and defend. Why do you continue to insist on co-mingling and confusing them in order to STEAL my labor,
55 property, and money without compensation in violation of the Fifth Amendment takings clause?
56

1 Usually, after the above interchange, the IRS agent will realize he is digging a DEEP hole for himself and will abruptly end
2 that sort of inquiry, and many times will also end his collection efforts.

3 **3.2 What is “Property”?**

4 Property is legally defined as follows:

5 *Property. That which is peculiar or proper to any person; that which **belongs exclusively to one**. In the strict
6 legal sense, **an aggregate of rights which are guaranteed and protected by the government**. *Fulton Light, Heat
7 & Power Co. v. State*, 65 Misc.Rep. 263, 121 N.Y.S. 536. The term is said to extend to every species of valuable
8 right and interest. More specifically, ownership; the unrestricted and exclusive right to a thing; the right to
9 dispose of a thing in every legal way, to possess it, to use it, and to exclude everyone else from interfering with it.
10 That dominion or indefinite right of use or disposition which one may lawfully exercise over particular things or
11 subjects. The exclusive right of possessing, enjoying, and disposing of a thing. The highest right a man can have
12 to anything; being used to refer to that right which one has to lands or tenements, goods or chattels, which no
13 way depends on another man's courtesy.*

14 *The word is also commonly used to denote everything which is the subject of ownership, corporeal or incorporeal,
15 tangible or intangible, visible or invisible, real or personal, everything that has an exchangeable value or which
16 goes to make up wealth or estate. **It extends to every species of valuable right and interest, and includes real
17 and personal property, easements, franchises, and incorporeal hereditaments, and includes every invasion of
18 one's property rights by actionable wrong.** *Labberton v. General Cas. Co. of America*, 53 Wash.2d. 180, 332
19 P.2d. 250, 252, 254.*

20 *Property embraces everything which is or may be the subject of ownership, whether a legal ownership, or whether
21 beneficial, or a private ownership. *Davis v. Davis. TexCiv-App.*, 495 S.W.2d. 607. 611. Term includes not only
22 ownership and possession but also the right of use and enjoyment for lawful purposes. *Hoffmann v. Kinealy, Mo.*,
23 389 S.W.2d. 745, 752.*

24 *Property, within constitutional protection, denotes group of rights inhering in citizen's relation to physical thing,
25 as right to possess, use and dispose of it. *Cereghino v. State By and Through State Highway Commission*, 230
26 Or. 439, 370 P.2d. 694, 697.*

27 *Goodwill is property, *Howell v. Bowden, TexCiv. App.*. 368 S.W.2d. 842, &18; as is an insurance policy and
28 rights incident thereto, including a right to the proceeds, *Harris v. Harris*, 83 N.M. 441,493 P.2d. 407, 408.*

29 *Criminal code. "Property" means anything of value. including real estate, tangible and intangible personal
30 property, contract rights, choses-in-action and other interests in or claims to wealth, admission or transportation
31 tickets, captured or domestic animals, food and drink, electric or other power. Model Penal Code. Q 223.0. See
32 also Property of another, infra. Dusts. Under definition in Restatement, Second, Trusts, Q 2(c), it denotes interest
33 in things and not the things themselves.
34 [Black's Law Dictionary, Fifth Edition, p. 1095]*

35 Keep in mind the following critical facts about “property” as legally defined:

- 36 1. The essence of the “property” right, also called “ownership”, is the RIGHT TO EXCLUDE others from using or
37 benefitting from the use of the property.

38 ***“We have repeatedly held that, as to property reserved by its owner for private use, ‘the right to exclude [others
39 is] one of the most essential sticks in the bundle of rights that are commonly characterized as property.’ ”***
40 ***Loretto v. Teleprompter Manhattan CATV Corp.**, 458 U.S. 419, 433 (1982), quoting **Kaiser Aetna v. United
41 States**, 444 U.S. 164, 176 (1979). “
42 [Nollan v. California Coastal Comm'n, 483 U.S. 825 (1987)]*

43
44 ***“In this case, we hold that the ‘right to exclude,’ so universally held to be a fundamental element of the
45 property right,^[11] falls within this category of interests that the Government cannot take without
46 compensation.”***
47 *[Kaiser Aetna v. United States, 444 U.S. 164 (1979)]*

48 *[11] See, e. g., United States v. Pueblo of San Ildefonso, 206 Ct.Cl. 649, 669-670, 513 F.2d 1383, 1394 (1975);
49 United States v. Lutz, 295 F.2d 736, 740 (CA5 1961). As stated by Mr. Justice Brandeis, “[a]n essential element
50 of individual property is the legal right to exclude others from enjoying it.” International News Service v.
51 Associated Press, 248 U.S. 215, 250 (1918) (dissenting opinion).*

- 1 2. It's NOT your property if you can't exclude the GOVERNMENT from using, benefitting from the use, or taxing the
- 2 specific property.
- 3 3. All constitutional rights and statutory privileges are property.
- 4 4. Anything that conveys a right or privilege is property.
- 5 5. Contracts convey rights or privileges and are therefore property.
- 6 6. All franchises are contracts between the grantor and the grantee and therefore property.

7 **3.3 “Public” v. “Private” property ownership**

8 Next, we would like to compare the two types of property: Public v. Private. There are two types of ownership of “property”:
 9 Absolute and Qualified. The following definition describes and compares these two types of ownership:

10 *Ownership. Collection of rights to use and enjoy property, including right to transmit it to others. Trustees of*
 11 *Phillips Exeter Academy v. Exeter, 92 N.H. 473, 33 A.2d. 665, 673. The complete dominion, title, or proprietary*
 12 *right in a thing or claim. The entirety of the powers of use and disposal allowed by law.*

13 *The right of one or more persons to possess and use a thing to the exclusion of others. The right by which a thing*
 14 *belongs to someone in particular, to the exclusion of all other persons. The exclusive right of possession,*
 15 *enjoyment, and disposal; involving as an essential attribute the right to control, handle, and dispose.*

16 **Ownership of property is either absolute or qualified. The ownership of property is absolute when a single**
 17 **person has the absolute dominion over it, and may use it or dispose of it according to his pleasure, subject only**
 18 **to general laws. The ownership is qualified when it is shared with one or more persons, when the time of**
 19 **enjoyment is deferred or limited, or when the use is restricted. Calif. Civil Code, §§678-680.**

20 *There may be ownership of all inanimate things which are capable of appropriation or of manual delivery; of all*
 21 *domestic animals; of all obligations; of such products of labor or skill as the composition of an author, the*
 22 *goodwill of a business, trademarks and signs, and of rights created or granted by statute. Calif. Civil Code, §655.*

23 *In connection with burglary, "ownership" means any possession which is rightful as against the burglar.*

24 *See also Equitable ownership; Exclusive ownership; Hold; Incident of ownership; Interest; Interval ownership;*
 25 *Ostensible ownership; Owner; Possession; Title.*
 26 *[Black's Law Dictionary, Sixth Edition, p. 1106]*

27 Participation in franchises causes PRIVATE property to transmute into PUBLIC property. Below is a table comparing these
 28 two great classes of property and the legal aspects of their status.

29 **Table 1: Public v. Private Property**

#	Characteristic	Public	Private
1	Authority for ownership comes from	Grantor/ creator of franchise	God/natural law
2	Type of ownership	Qualified	Absolute
3	Law protecting ownership	Statutory franchises	Bill of Rights (First Ten Amendments to the U.S. Constitution)
4	Owner is	The public as LEGAL owner and the human being as EQUITABLE owner	A single person as LEGAL owner
5	Ownership is a	Privilege/franchise	Right
6	Courts protecting ownership	Franchise court (Article 4 of the USA Constitution)	Constitutional court
7	Subject to taxation?	Yes	No (you have the right EXCLUDE government from using or benefitting from it)

#	Characteristic	Public	Private
8	Title held by	Statutory citizen (Statutory citizens are public officers)	Constitutional citizen (Constitutional citizens are human beings and may NOT be public officers)
9	Character of YOUR/HUMAN title	Equitable	Legal
10	Conversion to opposite type of property by	1. Removing government identifying number. 2. Donation.	1. Associating with government identifying number. ¹ 2. Donation. 3. Eminent domain (with compensation). 4. THEFT (Internal Revenue Service).

3.4 The purpose and foundation of de jure government: Protection of EXCLUSIVELY PRIVATE rights

The main purpose for which all governments are established is the protection of EXCLUSIVELY PRIVATE rights and property. This purpose is the foundation of all the just authority of any government as held by the Declaration of Independence:

*"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.--**That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed, -**"*
[Declaration of Independence, 1776]

The fiduciary duty that a public officer who works for the government has is founded upon the requirement to protect PRIVATE property.

"As expressed otherwise, the powers delegated to a public officer are held in trust for the people and are to be exercised in behalf of the government or of all citizens who may need the intervention of the officer. ² Furthermore, the view has been expressed that all public officers, within whatever branch and whatever level of government, and whatever be their private vocations, are trustees of the people, and accordingly labor under every disability and prohibition imposed by law upon trustees relative to the making of personal financial gain from a discharge of their trusts. ³ That is, a public officer occupies a fiduciary relationship to the political entity on whose behalf he or she serves. ⁴ and owes a fiduciary duty to the public. ⁵ It has been said that the fiduciary responsibilities of a public officer cannot be less than those of a private individual. ⁶ Furthermore, it has been stated that any enterprise undertaken by the public official which tends to weaken public confidence and undermine the sense of security for individual rights is against public policy. ⁷"
[63C American Jurisprudence 2d, Public Officers and Employees, §247 (1999)]

¹ See: About SSNs and TINs on Government Forms and Correspondence, Form #05.012.

² State ex rel. Nagle v. Sullivan, 98 Mont. 425, 40 P.2d. 995, 99 A.L.R. 321; Jersey City v. Hague, 18 N.J. 584, 115 A.2d. 8.

³ Georgia Dep't of Human Resources v. Sistrunk, 249 Ga. 543, 291 S.E.2d. 524. A public official is held in public trust. Madlener v. Finley (1st Dist) 161 Ill.App.3d. 796, 113 Ill.Dec. 712, 515 N.E.2d. 697, app gr 117 Ill.Dec. 226, 520 N.E.2d. 387 and revd on other grounds 128 Ill.2d. 147, 131 Ill.Dec. 145, 538 N.E.2d. 520.

⁴ Chicago Park Dist. v. Kenroy, Inc., 78 Ill.2d. 555, 37 Ill.Dec. 291, 402 N.E.2d. 181, appeal after remand (1st Dist) 107 Ill.App.3d. 222, 63 Ill.Dec. 134, 437 N.E.2d. 783.

⁵ United States v. Holzer (CA7 Ill), 816 F.2d. 304 and vacated, remanded on other grounds 484 U.S. 807, 98 L.Ed. 2d 18, 108 S.Ct. 53, on remand (CA7 Ill) 840 F.2d. 1343, cert den 486 U.S. 1035, 100 L.Ed. 2d 608, 108 S.Ct. 2022 and (criticized on other grounds by United States v. Osser (CA3 Pa) 864 F.2d. 1056) and (superseded by statute on other grounds as stated in United States v. Little (CA5 Miss) 889 F.2d. 1367) and (among conflicting authorities on other grounds noted in United States v. Boylan (CA1 Mass), 898 F.2d. 230, 29 Fed.Rules.Evid.Serv. 1223).

⁶ Chicago ex rel. Cohen v. Keane, 64 Ill.2d. 559, 2 Ill.Dec. 285, 357 N.E.2d. 452, later proceeding (1st Dist) 105 Ill.App.3d. 298, 61 Ill.Dec. 172, 434 N.E.2d. 325.

⁷ Indiana State Ethics Comm'n v. Nelson (Ind App), 656 N.E.2d. 1172, reh gr (Ind App) 659 N.E.2d. 260, reh den (Jan 24, 1996) and transfer den (May 28, 1996).

1 The VERY FIRST step that any lawful de jure government must take in protecting PRIVATE property and PRIVATE rights
2 is to protect it from being converted to PUBLIC/GOVERNMENT property. After all: If the people you hire to protect you
3 won't even do the job of protecting you from THEM, why should you hire them to protect you from ANYONE ELSE?

4 The U.S. Supreme Court has also affirmed that the protection of PRIVATE rights and PRIVATE property is “the foundation
5 of the government” when it held the following. The case below was a challenge to the constitutionality of the first national
6 income tax, and the U.S. government rightfully lost that challenge:

7 *“Here I close my opinion. I could not say less in view of questions of such gravity that they go down to the very
8 foundations of the government. If the provisions of the Constitution can be set aside by an act of Congress, where
9 is the course of usurpation to end?”*

10 *The present assault upon capital [THEFT! and WEALTH TRANSFER by unconstitutional CONVERSION of
11 PRIVATE property to PUBLIC property] is but the beginning. It will be but the stepping stone to others larger
12 and more sweeping, until our political contest will become war of the poor against the rich; a war of growing
13 intensity and bitterness.”*

14 *[Pollock v. Farmers' Loan & Trust Co., 157 U.S. 429, 158 U.S. 601 (1895), hearing the case against the first
15 income tax passed by Congress that included people in states of the Union. They declared that first income tax
16 UNCONSTITUTIONAL, by the way]*

17 In the above landmark case, the lawyer for the petitioner, Mr. Choate, even referred to the income tax as COMMUNISM,
18 and he was obviously right! Why? Because communism like socialism operates upon the following political premises:

- 19 1. All property is PUBLIC property and there IS no PRIVATE property.
- 20 2. The government owns and/or controls all property and said property is LOANED to the people.
- 21 3. The government and/or the collective has rights superior to those of the individual. There is and can be NO equality or
22 equal protection under the law without the right of PRIVATE property. In that sense, the government or the “state” is
23 a pagan idol with “supernatural powers” because human beings are “natural” and they are inferior to the collective.
- 24 4. Control is synonymous with ownership. If the government CONTROLS the property but the citizen “owns” it, then:
25 4.1. The REAL owner is the government.
26 4.2. The ownership of the property is QUALIFIED rather than ABSOLUTE.
27 4.3. The person holding the property is a mere CUSTODIAN over GOVERNMENT property and has EQUITABLE
28 rather than LEGAL ownership. Hence, their name in combination with the Social Security Number constitutes a
29 PUBLIC office synonymous with the government itself.
- 30 5. Everyone in temporary use of said property is an officer and agent of the state. A “public officer”, after all, is someone
31 who is in charge of the PROPERTY of the public. It is otherwise a crime to use public property for a PRIVATE use or
32 benefit. That crime is called theft or conversion:

33 *“Public office. The right, authority, and duty created and conferred by law, by which for a given period, either
34 fixed by law or enduring at the pleasure of the creating power, an individual is invested with some portion of the
35 sovereign functions of government for the benefit of the public. Walker v. Rich, 79 Cal.App. 139, 249 P. 56, 58.
36 An agency for the state, the duties of which involve in their performance the exercise of some portion of the
37 sovereign power, either great or small. Yaselli v. Goff, C.C.A., 12 F.2d. 396, 403, 56 A.L.R. 1239; Lacey v. State,
38 13 Ala.App. 212, 68 So. 706, 710; Curtin v. State, 61 Cal.App. 377, 214 P. 1030, 1035; Shelmadine v. City of
39 Elkhart, 75 Ind.App. 493, 129 N.E. 878. State ex rel. Colorado River Commission v. Frohmiller, 46 Ariz. 413, 52
40 P.2d. 483, 486. Where, by virtue of law, a person is clothed, not as an incidental or transient authority, but for
41 such time as de- notes duration and continuance, with Independent power to control the property of the public,
42 or with public functions to be exercised in the supposed interest of the people, the service to be compensated by
43 a stated yearly salary, and the occupant having a designation or title, the position so created is a public office.
44 State v. Brennan, 49 Ohio.St. 33, 29 N.E. 593.
45 [Black's Law Dictionary, Fourth Edition, p. 1235]*

46 Look at some of the planks of the Communist Manifesto, Karl Marx and confirm the above for yourself:

- 47 1. Abolition of property in land and application of all rents of land to public purposes.
- 48 2. A heavy progressive or graduated income tax.
- 49 [. . .]
- 50 [Wikipedia topic: “The Communist Manifesto”, 12-27-2011; SOURCE:
51 http://en.wikipedia.org/wiki/The_Communist_Manifesto]

52 The legal definition of “property” confirms that one who OWNS a thing has the EXCLUSIVE right to use and dispose of and
53 CONTROL the use of his or her or its property and ALL the fruits and “benefits” associated with the use of such property .
54 The implication is that you as the PRIVATE owner have a right to EXCLUDE ALL OTHERS including all governments

1 from using, benefitting from, or controlling your property. Governments, after all, are simply legal “persons” and the
2 constitution guarantees that ALL “persons” are equal. If your neighbor can’t benefit from your property without your consent,
3 then neither can any so-called “government”.

4 *Property. That which is peculiar or proper to any person; that which **belongs exclusively to one**. In the strict
5 legal sense, **an aggregate of rights which are guaranteed and protected by the government**. *Fulton Light, Heat
6 & Power Co. v. State*, 65 Misc.Rep. 263, 121 N.Y.S. 536. The term is said to extend to every species of valuable
7 right and interest. **More specifically, ownership; the unrestricted and exclusive right to a thing; the right to
8 dispose of a thing in every legal way, to possess it, to use it, and to exclude everyone else from interfering with
9 it. That dominion or indefinite right of use or disposition which one may lawfully exercise over particular
10 things or subjects. The exclusive right of possessing, enjoying, and disposing of a thing. The highest right a
11 man can have to anything; being used to refer to that right which one has to lands or tenements, goods or
12 chattels, which no way depends on another man's courtesy.***

13 *The word is also commonly used to denote everything which is the subject of ownership, corporeal or incorporeal,
14 tangible or intangible, visible or invisible, real or personal, everything that has an exchangeable value or which
15 goes to make up wealth or estate. **It extends to every species of valuable right and interest, and includes real
16 and personal property, easements, franchises, and incorporeal hereditaments, and includes every invasion of
17 one's property rights by actionable wrong.** *Labberton v. General Cas. Co. of America*, 53 Wash.2d. 180, 332
18 P.2d. 250, 252, 254.*

19 *Property embraces everything which is or may be the subject of ownership, whether a legal ownership, or whether
20 beneficial, or a private ownership. *Davis v. Davis. TexCiv-App.*, 495 S.W.2d. 607. 611. Term includes not only
21 ownership and possession but also the right of use and enjoyment for lawful purposes. *Hoffmann v. Kinealy, Mo.*,
22 389 S.W.2d. 745, 752.*

23 *Property, within constitutional protection, denotes group of rights inhering in citizen's relation to physical thing,
24 as right to possess, use and dispose of it. *Cereghino v. State By and Through State Highway Commission*, 230
25 Or. 439, 370 P.2d. 694, 697.*

26 [. . .]

27 [*Black's Law Dictionary, Fifth Edition, p. 1095*]

28 In a lawful de jure government under our constitution:

- 29 1. All “persons” are absolutely equal under the law. No government can have any more rights than a single human being,
30 no matter how many people make up that government. If your neighbor can’t take your property without your consent,
31 then neither can the government. The only exception to this requirement of equality is that artificial persons do not
32 have constitutional rights, but only such “privileges” as statutory law grants them. See:

[Requirement for Equal Protection and Equal Treatment](http://sedm.org/Forms/FormIndex.htm), Form #05.033
<http://sedm.org/Forms/FormIndex.htm>

- 33 2. All property is CONCLUSIVELY presumed to be EXCLUSIVELY PRIVATE until the GOVERNMENT meets the
34 burden of proof on the record of the legal proceeding that you EXPRESSLY consented IN WRITING to donate the
35 property or use of the property to the PUBLIC:

36 *“Men are endowed by their Creator with certain unalienable rights, - 'life, liberty, and the pursuit of happiness;'
37 and to 'secure,' not grant or create, these rights, governments are instituted. **That property [or income] which a
38 man has honestly acquired he retains full control of, subject to these limitations: First, that he shall not use it
39 to his neighbor's injury, and that does not mean that he must use it for his
40 neighbor's benefit [e.g. SOCIAL SECURITY, Medicare, and every other
41 public “benefit”]; second, that if he devotes it to a public use, he gives to the public a right to control
42 that use; and third, that whenever the public needs require, the public may take it upon payment of due
43 compensation.”***

44 [*Budd v. People of State of New York, 143 U.S. 517 (1892)*]

- 45 3. You have to knowingly and intentionally DONATE your PRIVATE property to a public use and a PUBLIC purpose
46 before the government can lawfully REGULATE its use. In other words, you have to at least SHARE your ownership
47 of otherwise private property with the government and become an EQUITABLE rather than ABSOLUTE owner of the
48 property before they can acquire the right to regulate its use or impose obligations or duties upon its original owner.
49 4. That donation ordinarily occurs by applying for and/or using a license in connection with the use of SPECIFIC
50 otherwise PRIVATE property.

- 1 5. The process of applying for or using a license and thereby converting PRIVATE into PUBLIC cannot be compelled. If
2 it is, the constitutional violation is called “eminent domain” without compensation or STEALING, in violation of the
3 Fifth Amendment takings clause.
- 4 6. You have a PUBLIC persona (office) and a PRIVATE persona (human) at all times.
 - 5 6.1. That which you VOLUNTARILY attach a government license number to, such as a Social Security Number or
6 Taxpayer Identification Number, becomes PRIVATE property donated to a public use to procure the benefits of a
7 PUBLIC franchise. That property, in turn, is effectively OWNED by the government grantor of your public
8 persona and the public office it represents.
 - 9 6.2. If you were compelled to use a government license number, such as an SSN or TIN, then a theft and taking
10 without compensation has occurred, because all property associated with such numbers was unlawfully converted
11 and STOLEN.
- 12 7. If the right to contract of the parties conducting any business transaction has any meaning at all, it implies the right to
13 EXCLUDE the government from participation in their relationship.
 - 14 7.1. You can write the contract such that neither party may use or invoke a license number, or complain to a licensing
15 board, about the transaction, and thus the government is CONTRACTED OUT of the otherwise PRIVATE
16 relationship. Consequently, the transaction becomes EXCLUSIVELY PRIVATE and government may not tax or
17 regulate or arbitrate the relationship in any way under the terms of the license franchise.
 - 18 7.2. Every consumer of your services has a right to do business with those who are unlicensed. This right is a natural
19 consequence of the right to CONTRACT and NOT CONTRACT. The thing they are NOT contracting with is the
20 GOVERNMENT, and the thing they are not contracting FOR is STATUTORY/FRANCHISE “protection”.
21 Therefore, even those who have applied for government license numbers are NOT obligated to use them in
22 connection with any specific transaction and may not have their licenses suspended or revoked for failure or
23 refusal to use them for a specific transaction.
- 24 8. If the government invades the commercial relationship between you and those you do business with by forcing either
25 party to use or invoke the license number or pursue remedies or “benefits” under the license, they are:
 - 26 8.1. Interfering with your UNALIENABLE right to contract.
 - 27 8.2. Compelling you to donate EXCLUSIVELY PRIVATE property to a PUBLIC use.
 - 28 8.3. Exercising unconstitutional eminent domain over your otherwise PRIVATE property.
 - 29 8.4. Compelling you to accept a public “benefit”, where the “protection” afforded by the license is the “benefit”.

30 The above requirements of the USA Constitution are circumvented with nothing more than the simple PRESUMPTION,
31 usually on the part of the IRS and corrupted judges who want to STEAL from you, that the GOVERNMENT owns it and that
32 you have to prove that they CONSENTED to let you keep the fruits of it. They can’t and never have proven that they have
33 such a right, and all such presumptions are a violation of due process of law.

34 (1) [8:4993] *Conclusive presumptions affecting protected interests:*

35 *A conclusive presumption may be defeated where its application would impair a party's constitutionally-protected*
36 *liberty or property interests. In such cases, conclusive presumptions have been held to violate a party's due*
37 *process and equal protection rights. [Vlandis v. Kline (1973) 412 U.S. 441, 449, 93 S.Ct. 2230, 2235; Cleveland*
38 *Bed. of Ed. v. LaFleur (1974) 414 U.S. 632, 639-640, 94 S.Ct. 1208, 1215-presumption under Illinois law that*
39 *unmarried fathers are unfit violates process]*
40 *[Federal Civil Trials and Evidence, Rutter Group, paragraph 8:4993, p. 8K-34]*

41 In order to unconstitutionally and TREASONOUSLY circumvent the above limitation on their right to presume, corrupt
42 governments and government actors will play “word games” with citizenship and key definitions in the ENCRYPTED “code”
43 in order to KIDNAP your legal identity and place it OUTSIDE the above protections of the constitution by:

- 44 1. PRESUMING that you are a public officer and therefore, that everything held in your name is PUBLIC property of the
45 GOVERNMENT and not YOUR PRIVATE PROPERTY. See:

Why Your Government is Either a Thief or You are a “Public Officer” for Income Tax Purposes, Form #05.008
DIRECT LINK: <http://sedm.org/Forms/05-MemLaw/WhyThiefOrPubOfficer.pdf>
FORMS PAGE: <http://sedm.org/Forms/FormIndex.htm>

- 46 2. Abusing fraudulent information returns to criminally and unlawfully “elect” you into public offices in the government:

Correcting Erroneous Information Returns, Form #04.001
DIRECT LINK: <http://sedm.org/Forms/04-Tax/CorrErrInfoRtns/CorrErrInfoRtns.pdf>
FORMS PAGE: <http://sedm.org/Forms/FormIndex.htm>

- 1 3. PRESUMING that because you did not rebut evidence connecting you to a public office, then you CONSENT to
2 occupy the office.
3 4. PRESUMING that ALL of the four contexts for "United States" are equivalent.
4 5. PRESUMING that CONSTITUTIONAL citizens and STATUTORY citizens are EQUIVALENT under federal law.
5 They are NOT. A CONSTITUTIONAL citizen is a "non-citizen national" under federal law and NOT a "citizen of the
6 United States".

Why You are a "national", "state national", and Constitutional but not Statutory Citizen, Form #05.006
DIRECT LINK: <http://sedm.org/Forms/05-MemLaw/WhyANational.pdf>
FORMS PAGE: <http://sedm.org/Forms/FormIndex.htm>

- 7 6. PRESUMING that "nationality" and "domicile" are equivalent. They are NOT. See:

Why Domicile and Becoming a "Taxpayer" Require Your Consent, Form #05.002
DIRECT LINK: <http://sedm.org/Forms/05-MemLaw/Domicile.pdf>
FORMS PAGE: <http://sedm.org/Forms/FormIndex.htm>

- 8 7. Using the word "citizenship" in place of "nationality" OR "domicile", and refusing to disclose WHICH of the two they
9 mean in EVERY context.
10 8. Confusing the POLITICAL/CONSTITUTIONAL meaning of words with the civil STATUTORY context. For
11 instance, asking on government forms whether you are a POLITICAL/CONSTITUTIONAL citizen and then
12 FALSELY PRESUMING that you are a STATUTORY citizen under 8 U.S.C. §1401.
13 9. Confusing the words "[domicile](#)" and "[residence](#)" or impute either to you without satisfying the burden of proving that
14 you EXPRESSLY CONSENTED to it and thereby illegally kidnap your civil legal identity against your will. One can
15 have only one "domicile" but many "residences" and BOTH require your consent. See:

Why Domicile and Becoming a "Taxpayer" Require Your Consent, Form #05.002
DIRECT LINK: <http://sedm.org/Forms/05-MemLaw/Domicile.pdf>
FORMS PAGE: <http://sedm.org/Forms/FormIndex.htm>

- 16 10. Adding things or classes of things to the meaning of statutory terms that do not EXPRESSLY appear in their
17 definitions, in violation of the rules of statutory construction. See:

Legal Deception, Propaganda, and Fraud, Form #05.014
DIRECT LINK: <http://sedm.org/Forms/05-MemLaw/LegalDecPropFraud.pdf>
FORMS PAGE: <http://sedm.org/Forms/FormIndex.htm>

- 18 11. Refusing to allow the jury to read the definitions in the law and then give them a definition that is in conflict with the
19 statutory definition. This substitutes the JUDGES will for what the law expressly says and thereby substitutes PUBLIC
20 POLICY for the written law.
21 12. Publishing deceptive government publications that are in deliberate conflict with what the statutes define "United
22 States" as and then tell the public that they CANNOT rely on the publication. The [IRS does this with ALL of their](#)
23 [publications](#) and it is FRAUD. See:

Reasonable Belief About Income Tax Liability, Form #05.007
DIRECT LINK: <http://sedm.org/Forms/05-MemLaw/ReasonableBelief.pdf>
FORMS PAGE: <http://sedm.org/Forms/FormIndex.htm>

24 This kind of arbitrary discretion is PROHIBITED by the Constitution, as held by the U.S. Supreme Court:

25 *"When we consider the nature and the theory of our institutions of government, the principles upon which they*
26 *are supposed to rest, and review the history of their development, **we are constrained to conclude that they do***
27 ***not mean to leave room for the play and action of purely personal and arbitrary power.**"*
28 *[Yick Wo v. Hopkins, 118 U.S. 356, 369, 6 S. Sup.Ct. 1064, 1071]*

29 Thomas Jefferson, our most revered founding father, precisely predicted the above abuses when he astutely said:

30 *"It has long been my opinion, and I have never shrunk from its expression,... that the germ of dissolution of our*
31 *Federal Government is in the constitution of the Federal Judiciary--an irresponsible body (for impeachment is*
32 *scarcely a scare-crow), **working like gravity by night and by day, gaining a little today and a little tomorrow,***
33 ***and advancing its noiseless step like a thief over the field of jurisdiction until all shall be usurped from the***
34 ***States and the government be consolidated into one. To this I am opposed.**"*
35 *[Thomas Jefferson to Charles Hammond, 1821. ME 15:331]*

36 *"Contrary to all correct example, [the Federal judiciary] are in the habit of going out of the question before them,*
37 *to throw an anchor ahead and grapple further hold for future advances of power. **They are then in fact the corps***
38 ***of sappers and miners, steadily working to undermine the independent rights of the States and to consolidate***
39 ***all power in the hands of that government in which they have so important a freehold estate.**"*
40 *[Thomas Jefferson: Autobiography, 1821. ME 1:121]*

1 "The judiciary of the United States is the subtle corps of sappers and miners constantly working under ground to
2 undermine the foundations of our confederated fabric. They are construing our Constitution from a co-ordination
3 of a general and special government to a general and supreme one alone. **This will lay all things at their feet,
4 and they are too well versed in English law to forget the maxim, 'boni judicis est ampliari jurisdictionem.'**
5 [Thomas Jefferson to Thomas Ritchie, 1820. ME 15:297]

6 "**When all government, domestic and foreign, in little as in great things, shall be drawn to Washington as the
7 center of all power, it will render powerless the checks provided of one government on another and will become
8 as venal and oppressive as the government from which we separated.**"
9 [Thomas Jefferson to Charles Hammond, 1821. ME 15:332]

10 "What an augmentation of the field for jobbing, speculating, plundering, office-building [**"trade or business"**
11 **scam**] and office-hunting would be produced by an assumption [**PRESUMPTION**] of all the State powers into the
12 hands of the General Government!"
13 [Thomas Jefferson to Gideon Granger, 1800. ME 10:168]

14 The key to preventing the unconstitutional abuse of presumption by the corrupted judiciary and IRS to STEAL from people
15 is to completely understand the content of the following memorandum of law and consistently apply it in every interaction
16 with the government:

Presumption: Chief Weapon for Unlawfully Enlarging Federal Jurisdiction, Form #05.017
<http://sedm.org/Forms/FormIndex.htm>

17 It ought to be very obvious to the reader that:

- 18 1. The rules for converting PRIVATE property to PUBLIC property ought to be consistently, completely, clearly, and
19 unambiguously defined by every government officer you come in contact with, and ESPECIALLY in court. These
20 rules ought to be DEMANDED to be declared EVEN BEFORE you enter a plea in a criminal case.
- 21 2. If the government asserts any right over your PRIVATE property, they are PRESUMING they are the LEGAL owner
22 and relegating you to EQUITABLE ownership. This presumption should be forcefully challenged.
- 23 3. If they won't expressly define the rules, or try to cloud the rules for converting PRIVATE property to PUBLIC
24 property, then they are:
 - 25 3.1. Defeating the very purpose for which they were established as a "government". Hence, they are not a true
26 "government" but a de facto private corporation PRETENDING to be a "government", which is a CRIME under
27 18 U.S.C. §912.
 - 28 3.2. Exercising unconstitutional eminent domain over private property without the consent of the owner and without
29 compensation.
 - 30 3.3. Trying to STEAL from you.
 - 31 3.4. Violating their fiduciary duty to the public.

32 **3.5 The Right to be left alone**

33 The purpose of the Constitution of the United States of America is to confer the "right to be left alone", which is the essence
34 of being sovereign:

35 "*The makers of our Constitution undertook to secure conditions favorable to the pursuit of happiness. They
36 recognized the significance of man's spiritual nature, of his feelings and of his intellect. They knew that only a
37 part of the pain, pleasure and satisfactions of life are to be found in material things. They sought to protect
38 Americans in their beliefs, their thoughts, their emotions and their sensations. **They conferred, as against the
39 Government, the right to be let alone - the most comprehensive of rights and the right most valued by civilized
40 men.**"
41 [Olmstead v. United States, [277 U.S. 438, 478](#) (1928) (Brandeis, J., dissenting); see also Washington v. Harper,
42 [494 U.S. 210](#) (1990)]*

43 The legal definition of "justice" confirms that its purpose is to protect your right to be "left alone":

44 PAULSEN, ETHICS (Thilly's translation), chap. 9.

45 "**Justice, as a moral habit, is that tendency of the will and mode of conduct which refrains from disturbing the
46 lives and interests of others, and, as far as possible, hinders such interference on the part of others.** This virtue
47 springs from the individual's respect for his fellows as ends in themselves and as his co equals. The different
48 spheres of interests may be roughly classified as follows: body and life; the family, or the extended individual

1 life; property, or the totality of the instruments of action; honor, or the ideal existence; and finally freedom, or
2 the possibility of fashioning one's life as an end in itself. The law defends these different spheres, thus giving rise
3 to a corresponding number of spheres of rights, each being protected by a prohibition. . . . To violate the rights,
4 to interfere with the interests of others, is injustice. All injustice is ultimately directed against the life of the
5 neighbor; it is an open avowal that the latter is not an end in itself, having the same value as the individual's own
6 life. The general formula of the duty of justice may therefore be stated as follows: Do no wrong yourself, and
7 permit no wrong to be done, so far as lies in your power; or, expressed positively: Respect and protect the right."
8 [Readings on the History and System of the Common Law, Second Edition, Roscoe Pound, 1925, p. 2]

9 The Bible also states the foundation of justice by saying:

10 "Do not strive with [or try to regulate or control or enslave] a man without cause, **if he has done you no harm.**"
11 [Prov. 3:30, Bible, NKJV]

12 And finally, Thomas Jefferson agreed with the above by defining "justice" as follows in his First Inaugural Address:

13 "With all [our] blessings, what more is necessary to make us a happy and a prosperous people? Still one thing
14 more, fellow citizens--**a wise and frugal Government, which shall restrain men from injuring one another, shall**
15 **leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from**
16 **the mouth of labor the bread it has earned. This is the sum of good government, and this is necessary to close**
17 **the circle of our felicities."**
18 [Thomas Jefferson: 1st Inaugural, 1801. ME 3:320]

19 Therefore, the word "injustice" means interference with the equal rights of others absent their consent and which constitutes
20 an injury NOT as any law defines it, but as the PERSON who is injured defines it. Under this conception of "justice",
21 anything done with your consent cannot be classified as "injustice" or an injury.

22 Those who are "private persons" fit in the category of people who must be left alone as a matter of law:

23 "There is a clear distinction in this particular case between an individual and a corporation, and that the latter
24 has no right to refuse to submit its books and papers for an examination at the suit of the State. The individual
25 may stand upon his constitutional rights as a citizen. **He is entitled to carry on his private business in his own**
26 **way. His power to contract is unlimited. He owes no such duty to the State, since he receives nothing therefrom,**
27 **beyond the protection of his life and property. His rights are such as existed by the law of the land long**
28 **antecedent to the organization of the State, and can only be taken from him by due process of law, and in**
29 **accordance with the constitution.** Among his rights are a refusal to incriminate himself, and the immunity of
30 himself and his property from arrest or seizure except under a warrant of the law. He owes nothing to the public
31 so long as he does not trespass upon their rights."
32 [Hale v. Henkel, [201 U.S. 43](#), 74 (1906)]

33
34 Internal Revenue Manual (I.R.M.), Section 5.14.10.2 (09-30-2004)
35 Payroll Deduction Agreements

36 **2. Private employers, states, and political subdivisions are not required to enter into payroll deduction**
37 **agreements.** Taxpayers should determine whether their employers will accept and process executed agreements
38 before agreements are submitted for approval or finalized.
39 [SOURCE: <http://sedm.org/Exhibits/EX05.043.pdf>]

40 The U.S. Supreme Court has also held that the ability to regulate what it calls "private conduct" is repugnant to the
41 constitution. It is the differentiation between PRIVATE rights and PUBLIC rights, in fact, that forms the basis for enforcing
42 your right to be left alone:

43 "The power to "legislate generally upon" life, liberty, and property, as opposed to the "power to provide modes
44 of redress" against offensive state action, was "repugnant" to the Constitution. *Id.*, at 15. See also *United States*
45 *v. Reese*, [92 U.S. 214, 218](#) (1876); *United States v. Harris*, [106 U.S. 629, 639](#) (1883); *James v. Bowman*, [190 U.S.](#)
46 [127, 139](#) (1903). Although the specific holdings of these early cases might have been superseded or modified, see,
47 e.g., *Heart of Atlanta Motel, Inc. v. United States*, [379 U.S. 241](#) (1964); *United States v. Guest*, [383 U.S. 745](#)
48 (1966), their treatment of Congress' §5 power as corrective or preventive, not definitional, has not been
49 questioned."
50 [*City of Boerne v. Flores, Archbishop of San Antonio*, [521 U.S. 507](#) (1997)]

51 Only by taking on a "public character" or engaging in "public conduct" rather than a "private" character may our actions
52 become the proper or lawful subject of federal or state legislation or regulation.

1 “One great object of the Constitution is to permit citizens to structure their private relations as they choose
2 subject only to the constraints of statutory or decisional law. [500 U.S. 614, 620]

3 To implement these principles, courts must consider from time to time where the governmental sphere [e.g.
4 “public purpose” and “public office”] ends and the private sphere begins. Although the conduct of private
5 parties lies beyond the Constitution’s scope in most instances, governmental authority may dominate an activity
6 to such an extent that its participants must be deemed to act with the authority of the government and, as a
7 result, be subject to constitutional constraints. This is the jurisprudence of state action, which explores the
8 “essential dichotomy” between the private sphere and the public sphere, with all its attendant constitutional
9 obligations. *Moose Lodge*, *supra*, at 172. “

10 [. . .]

11 Given that the statutory authorization for the challenges exercised in this case is clear, the remainder of our state
12 action analysis centers around the second part of the *Lugar* test, whether a private litigant, in all fairness, must
13 be deemed a government actor in the use of peremptory challenges. Although we have recognized that this aspect
14 of the analysis is often a fact-bound inquiry, see *Lugar*, *supra*, 457 U.S. at 939, our cases disclose certain
15 principles of general application. Our precedents establish that, in determining whether a particular action or
16 course of conduct is governmental in character, it is relevant to examine the following: the extent to which the
17 actor relies on governmental assistance and benefits, see *Tulsa Professional Collection Services, Inc. v. Pope*,
18 485 U.S. 478 (1988); *Burton v. Wilmington Parking Authority*, 365 U.S. 715 (1961); whether the actor is
19 performing a traditional governmental function, see *Terry v. Adams*, 345 U.S. 461 (1953); *Marsh v. Alabama*,
20 326 U.S. 501 (1946); cf. *San Francisco Arts & Athletics, Inc. v. United States Olympic [500 U.S. 614,*
21 622] *Committee*, 483 U.S. 522, 544 -545 (1987); and whether the injury caused is aggravated in a unique way
22 by the incidents of governmental authority, see *Shelley v. Kraemer*, 334 U.S. 1 (1948). Based on our application
23 of these three principles to the circumstances here, we hold that the exercise of peremptory challenges by the
24 defendant in the District Court was pursuant to a course of state action.
25 [*Edmonson v. Leesville Concrete Company*, 500 U.S. 614 (1991)]

26 The phrase “subject only to the constraints of statutory or decisional law” refers ONLY to statutes or court decisions that
27 pertain to licensed or privileged activities or franchises, all of which:

- 28 1. Cause the licensee or franchisee to represent a “public office” and work for the government.
- 29 2. Cause the licensee or franchisee to act in a representative capacity as an officer of the government, which is a federal
30 corporation and therefore he or she becomes an “officer or employee of a corporation” acting in a representative capacity.
31 See 26 U.S.C. §6671(b) and 26 U.S.C. §7434, which both define a “person” within the I.R.C. criminal and penalty
32 provisions as an officer or employee of a corporation.
- 33 3. Change the effective domicile of the “office” or “public office” of the licensee or franchisee to federal territory pursuant
34 to Federal Rule of Civil Procedure 17(b), 26 U.S.C. §7701(a)(39), and 26 U.S.C. §7408(d).

35 IV. PARTIES > Rule 17.

36 (b) Capacity to Sue or be Sued.

37 Capacity to sue or be sued is determined as follows:

38 (1) for an individual who is not acting in a representative capacity, by the law of the individual’s domicile;

39 (2) for a corporation [or the officers or “public officers” of the corporation], by the law under which it was
40 organized; and

41 (3) for all other parties, by the law of the state where the court is located, except that:

42 (A) a partnership or other unincorporated association with no such capacity under that state’s law may sue or
43 be sued in its common name to enforce a substantive right existing under the United States Constitution or
44 laws; and

45 (B) 28 U.S.C. §§754 and 959(a) govern the capacity of a receiver appointed by a United States court to sue or
46 be sued in a United States court.

- 47 4. Creates a “res” or “office” which is the subject of federal legislation and a “person” or “individual” within federal statutes.
48 For instance, the definition of “individual” within 5 U.S.C. §552(a)(2) reveals that it is a government employee with a
49 domicile in the statutory “United States”, which is federal territory. Notice that the statute below is in Title 5, which is
50 “Government Organization and Employees”, and that “citizens and residents of the United States” share in common a
51 legal domicile on federal territory. An “individual” is an officer of the government, and not a natural man or woman.
52 The office is the “individual”, and not the man or woman who fills it:

53 TITLE 5 > PART 1 > CHAPTER 5 > SUBCHAPTER II > § 552a
54 § 552a. Records maintained on individuals

1 (a) Definitions.— For purposes of this section—

2 (2) the term “individual” means a citizen of the United States or an alien lawfully admitted for permanent
3 residence;

4 If you don’t maintain a domicile on federal territory, which is called the “United States” in the U.S. Code, or you don’t work
5 for the government by participating in its franchises, then the government has NO AUTHORITY to even keep records on
6 you under the authority of the Privacy Act and you would be committing perjury under penalty of perjury to call yourself an
7 “individual” on a government form. Why? Because you are the sovereign and the sovereign is not the subject of the law,
8 but the author of the law!

9 “Since in common usage, the term person does not include the sovereign, statutes not employing the phrase are
10 ordinarily construed to exclude it.”
11 [United States v. Cooper Corporation, 312 U.S. 600 (1941)]

12 “There is no such thing as a power of inherent Sovereignty in the government of the United States. In this country
13 sovereignty resides in the People, and Congress can exercise no power which they have not, by their Constitution
14 entrusted to it: All else is withheld.”
15 [Juilliard v. Greenman, 110 U.S. 421 (1884)]

16 “Sovereignty itself is, of course, not subject to law for it is the author and source of law;”
17 [Yick Wo v. Hopkins, 118 U.S. 356 (1886)]

18 “Under our form of government, the legislature is NOT supreme. It is only one of the organs of that ABSOLUTE
19 SOVEREIGNTY which resides in the whole body of the PEOPLE; like other bodies of the government, it can only
20 exercise such powers as have been delegated to it, and when it steps beyond that boundary, its acts.. are utterly
21 VOID.”
22 [Billings v. Hall, 7 CA. 1]

23 “In Europe, the executive is synonymous with the sovereign power of a state...where it is too commonly acquired
24 by force or fraud, or both...In America, however the case is widely different. Our government is founded upon
25 compact. Sovereignty was, and is, in the people.”
26 [The Betsy, 3 Dall 6]

27 In summary, the only way the government can control you through civil law is to connect you to public conduct or a “public
28 office” within the government executed on federal territory. If they are asserting jurisdiction that you believe they don’t
29 have, it is probably because:

- 30 1. You misrepresented your domicile as being on federal territory within the “United States” or the “State of ___” by
31 declaring yourself to be either a statutory “U.S. citizen” pursuant to 8 U.S.C. §1401 or a statutory “resident” (alien)
32 pursuant to 26 U.S.C. §7701(b)(1)(A). This made you subject to their laws and put you into a privileged state.
33 2. You filled out a government application for a franchise, which includes government benefits, professional licenses,
34 driver’s licenses, marriage licenses, etc.
35 3. Someone else filed a document with the government which connected you to a franchise, even though you never
36 consented to participate in the franchise. For instance, IRS information returns such as W-2, 1042S, 1098, and 1099
37 presumptively connect you to a “trade or business” in the U.S. government pursuant to 26 U.S.C. §6041. A “trade or
38 business” is then defined in 26 U.S.C. §7701(a)(26) as “the functions of a public office”. The only way to prevent this
39 evidence from creating a liability under the franchise agreement provisions is to rebut it promptly. See:

Correcting Erroneous Information Returns, Form #04.001
<http://sedm.org/Forms/FormIndex.htm>

40 **3.6 The PUBLIC You (straw man) vs. the PRIVATE You (human)**

41 It is extremely important to know the difference between PRIVATE and PUBLIC “persons”, because we all have private and
42 public identities. This division of our identities is recognized in the following maxim of law:

43 *Quando duo juro concurrunt in und personâ, aequum est ac si essent in diversis.*
44 *When two rights [public right v. private right] concur in one person, it is the same as if they were two separate*
45 *persons.* 4 Co. 118.
46 [Bouvier’s Maxims of Law, 1856;
47 SOURCE: <http://fanguardian.org/Publications/BouvierMaximsOfLaw/BouviereMaxims.htm>]

1 The U.S. Supreme Court also recognizes the division of PUBLIC v. PRIVATE:

2 “A private person cannot make constitutions or laws, nor can he with authority construe them, nor can he
3 administer or execute them.”
4 [United States v. Harris, 106 U.S. 629, 1 S.Ct. 601, 27 L.Ed. 290 (1883)]

5 “All the powers of the government [including ALL of its civil enforcement powers against the public] must be
6 carried into operation by individual agency, either through the medium of public officers, or contracts made
7 with [private] individuals.”
8 [Osborn v. Bank of U.S., 22 U.S. 738 (1824)]

9
10
11 “... we are of the opinion that there is a clear distinction in this particular between an [PRIVATE] individual
12 and a [PUBLIC] corporation, and that the latter has no right to refuse to submit its books and papers for an
13 examination at the suit of the state. The individual may stand upon his constitutional rights as a citizen. He is
14 entitled to carry on his private business in his own way. His power to contract is unlimited. He owes no duty to
15 the state or to his neighbors to divulge his business, or to open his doors to an investigation, so far as it may
16 tend to criminate him. He owes no such duty to the state, since he receives nothing therefrom, beyond the
17 protection of his life and property. His rights are such as existed by the law of the land long antecedent to the
18 organization of the state, and can only be taken from him by due process of law, and in accordance with the
19 Constitution. Among his rights are a refusal to incriminate himself, and the immunity of himself and his
20 property from arrest or seizure except under a warrant of the law. He owes nothing to the public so long as he
21 does not trespass upon their rights.

22
23 “Upon the other hand, the [PUBLIC] corporation is a creature of the state. It is presumed to be incorporated
24 for the benefit of the public. It receives certain special privileges and franchises, and holds them subject to the
25 laws of the state and the limitations of its charter. Its powers are limited by law. It can make no contract not
26 authorized by its charter. Its rights to [201 U.S. 43, 75] act as a corporation are only preserved to it so long
27 as it obeys the laws of its creation. There is a reserved right in the legislature to investigate its contracts and
28 find out whether it has exceeded its powers. It would be a strange anomaly to hold that a state, having chartered
29 a corporation to make use of certain franchises, could not, in the exercise of its sovereignty, inquire how these
30 franchises had been employed, and whether they had been abused, and demand the production of the corporate
31 books and papers for that purpose. The defense amounts to this: That an officer of a corporation which is charged
32 with a criminal violation of the statute, may plead the criminality of such corporation as a refusal to produce its
33 books. To state this proposition is to answer it. While an individual may lawfully refuse to answer incriminating
34 questions unless protected by an immunity statute, it does not follow that a corporation, vested with special
privileges and franchises, may refuse to show its hand when charged with an abuse of such privileges. “
[Hale v. Henkel, 201 U.S. 43 (1906)]

35 The next time you are in court as a PRIVATE person, here are some questions for the next jury, judge, or government
36 prosecutor trying to enforce a civil obligation upon you as a PRESUMED public officer called a “citizen”, “resident”,
37 “person”, or “taxpayer”:

- 38 1. How do you, a PRIVATE human, “OBEY” a law without “EXECUTING” it? We’ll give you a hint: It CAN’T BE
39 DONE!
40 2. What “public office” or franchise does the government claim to have “created” and therefore have the right to control
41 in the context of my otherwise exclusively PRIVATE property and PRIVATE rights under the Constitution?
42 3. Does the national government claim the right to create franchises within a constitutional state in order to tax them?
43 The Constitution says they CANNOT and that this is an “invasion” within the meaning of Article 4, Section 4 of the
44 Constitution:

45 “Thus, Congress having power to regulate commerce with foreign nations, and among the several States, and
46 with the Indian tribes, may, without doubt, provide for granting coasting licenses, licenses to pilots, licenses to
47 trade with the Indians, and any other licenses necessary or proper for the exercise of that great and extensive
48 power; and the same observation is applicable to every other power of Congress, to the exercise of which the
49 granting of licenses may be incident. All such licenses confer authority, and give rights to the licensee.

50 But very different considerations apply to the internal commerce or domestic trade of the States. Over this
51 commerce and trade Congress has no power of regulation nor any direct control. This power belongs exclusively
52 to the States. No interference by Congress with the business of citizens transacted within a State is warranted
53 by the Constitution, except such as is strictly incidental to the exercise of powers clearly granted to the
54 legislature. The power to authorize a business within a State is plainly repugnant to the exclusive power of the
55 State over the same subject. It is true that the power of Congress to tax is a very extensive power. It is given in
56 the Constitution, with only one exception and only two qualifications. Congress cannot tax exports, and it must
57 impose direct taxes by the rule of apportionment, and indirect taxes by the rule of uniformity. Thus limited, and

1 thus only, it reaches every subject, and may be exercised at discretion. But, it reaches only existing subjects.
2 Congress cannot authorize a trade or business within a State in order to tax it.
3 [License Tax Cases, 72 U.S. 462, 18 L.Ed. 497, 5 Wall. 462, 2 A.F.T.R. 2224 (1866)]

- 4 4. Isn't a judge compelling you to violate your religious beliefs by compelling you to serve in a public office or accept the
5 DUTES of the office? Isn't this a violation of the First Commandment NOT to serve "other gods", which can and does
6 mean civil rulers or governments?

7 But the thing displeased Samuel when they said, "Give us a king to judge us." So Samuel prayed to the Lord. And
8 the Lord said to Samuel, "Heed the voice of the people in all that they say to you; for they have rejected Me
9 [God], that I should not reign over them. According to all the works which they have done since the day that I
10 brought them up out of Egypt, even to this day—with which they have forsaken Me and served other gods [Kings,
11 in this case]—so they are doing to you also [government becoming idolatry]. Now therefore, heed their voice.
12 However, you shall solemnly forewarn them, and show them the behavior of the king who will reign over
13 them."
14 [1 Sam. 8:6-9, Bible, NKJV]

- 15 5. How can one UNILATERALLY ELECT themselves into public office by filling out a government form? The form
16 isn't even signed by anyone in the government, such as a tax form or social security application, and therefore couldn't
17 POSSIBLY be a valid contract anyway? Isn't this a FRAUD upon the United States and criminal bribery, using illegal
18 "withholdings" to bribe someone to TREAT you as a public officer? See 18 U.S.C. §211.
19 6. How can a judge enforce civil statutory law that only applies to public officers without requiring proof on the record
20 that you are CONSENSUALLY and LAWFULLY engaged in a public office? In other words, that you waived
21 sovereign immunity by entering into a contract with the government.

22 "It is true, that the person who accepts an office may be supposed to enter into a compact to be answerable to
23 the government, which he serves, for any violation of his duty; and, having taken the oath of office, he would
24 unquestionably be liable, in such case, to a prosecution for perjury in the Federal Courts. But because one
25 man, by his own act [CONSENT], renders himself amenable to a particular jurisdiction, shall another man,
26 who has not incurred a similar obligation, be implicated? If, in other words, it is sufficient to vest a jurisdiction
27 in this court, that a Federal Officer is concerned; if it is a sufficient proof of a case arising under a law of the
28 United States to affect other persons, that such officer is bound, by law, to discharge his duty with fidelity; a
29 source of jurisdiction is opened, which must inevitably overflow and destroy all the barriers between the judicial
30 authorities of the State and the general government. Anything which can prevent a Federal Officer from the
31 punctual, as well as from an impartial, performance of his duty; an assault and battery; or the recovery of a debt,
32 as well as the offer of a bribe, may be made a foundation of the jurisdiction of this court; and, considering the
33 constant disposition of power to extend the sphere of its influence, fictions will be resorted to, when real cases
34 cease to occur. A mere fiction, that the defendant is in the custody of the marshal, has rendered the jurisdiction
35 of the King's Bench universal in all personal actions."
36 [United States v. Worrall, 2 U.S. 384 (1798)]
37 SOURCE: http://scholar.google.com/scholar_case?case=3339893669697439168

- 38 7. Isn't this involuntary servitude in violation of the Thirteenth Amendment to serve in a public office if you DON'T
39 consent and they won't let you TALK about the ABSENCE of your consent?
40 8. Isn't it a violation of due process of law to PRESUME that you are public officer WITHOUT EVIDENCE on the
41 record from an unbiased witness who has no financial interest in the outcome?

42 "A presumption is an assumption of fact that the law requires to be made from another fact or group of facts
43 found or otherwise established in the action. A presumption is not evidence."
44 [Black's Law Dictionary, Sixth Edition, p. 1185]

45
46 "If any question of fact or liability be conclusively be presumed [rather than proven] against him, this is not
47 due process of law. [. . .] the presumption of innocence under which guilt must be proven by legally obtained
48 evidence and the verdict must be supported by the evidence presented; rights at the earliest stage of the criminal
49 process; and the guarantee that an individual will not be tried more than once for the same offence (double
50 jeopardy).
51 [Black's Law Dictionary, Sixth Edition, p. 500]

1 "A presumption is neither evidence nor a substitute for evidence."⁸
2 [American Jurisprudence 2d, Evidence, §181 (1999)]

- 3 9. If the judge won't enforce the requirement that the government as moving party has the burden of proving WITH
4 EVIDENCE that you were LAWFULLY "appointed or elected" to a public office, aren't you therefore PRESUMED to
5 be EXCLUSIVELY PRIVATE and therefore beyond the reach of the civil statutory law?
- 6 10. Isn't the judge criminally obstructing justice to interfere with requiring evidence on the record that you lawfully
7 occupy a public office? See 18 U.S.C. §1503, whereby the judge is criminally "influencing" the PUBLIC you.
- 8 11. Isn't an unsupported presumption that prejudices a PRIVATE right a violation of the Constitution and doesn't the
9 rights that UNCONSTITUTIONAL presumption prejudicially conveys to the government constitute a taking of rights
10 without just compensation in violation of the Fifth Amendment Takings Clause?
- 11 12. How can the judge permit federal civil jurisdiction within a state, a legislatively but not constitutionally foreign
12 jurisdiction, be permitted absent proof under Federal Rule of Civil Procedure 17(b) that the party was representing a
13 public office in the government and therefore, that the civil statutory laws of the District of Columbia/federal zone
14 apply rather than the state in question? See the Rules of Decision Act, 28 U.S.C. §1652.
- 15 13. Even if we ARE lawfully serving in a public office, don't we have the right to:
16 13.1. Be off duty?
17 13.2. Choose WHEN we want to be off duty?
18 13.3. Choose WHAT financial transactions we want to connect to the office?
19 13.4. Be protected in NOT volunteering to connect a specific activity to the public office? Governments LIE by calling
20 something "voluntary" and yet refusing to protect those who do NOT consent to "volunteer", don't they?
21 13.5. Not be coerced to sign up for OTHER, unrelated public offices when we sign up for a single office? For instance,
22 do we have a right not become a FEDERAL officer when we sign up for a STATE "driver license" and "public
23 office" that ALSO requires us to have a Social Security Number to get the license, and therefore to ALSO
24 become a FEDERAL officer at the same time.
25 If the answer to all the above is NO, then there ARE no PRIVATE rights or PRIVATE property and there IS no
26 "government" because governments only protect PRIVATE rights and private property!

27 We'd love to hear a jury, judge, or prosecutor address this subject before they haul him away in a straight jacket to the nuthouse
28 because of a completely irrational and maybe even criminal answer.

29 The next time you end up in front of a judge or government attorney enforcing a civil statute against you, you might want to
30 insist on proof in the record during the process of challenging jurisdiction as a defendant or respondent:

- 31 1. WHICH of the two "persons" they are addressing or enforcing against.
32 2. How the two statuses, PUBLIC v. PRIVATE, became connected.
33 3. What specific act of EXPRESS consent connected the two. PRESUMPTION alone on the part of government can't. A
34 presumption that the two became connected WITHOUT consent is an unconstitutional eminent domain in violation of
35 the Fifth Amendment Takings Clause.

36 In a criminal trial, such a question would be called a "bill of particulars".

37 We can handle private and public affairs from the private, but we cannot handle private affairs from the public. The latter is
38 one of the biggest mistakes many people make when trying to handle their commercial and lawful (private) or legal (public)
39 affairs. Those who use PUBLIC property for PRIVATE gain in fact are STEALING and such stealing has always been a
40 crime.

41 In law, all rights attach to LAND, and all privileges attach to one's STATUS under voluntary civil franchises. An example
42 of privileged statuses include "taxpayer" (under the tax code), "person", "individual", "driver" (under the vehicle code),
43 "spouse" (under the family code). Rights are PRIVATE, PRIVILEGES are PUBLIC.

⁸ Levasseur v. Field (Me), 332 A.2d. 765; Hinds v. John Hancock Mut. Life Ins. Co., 155 Me 349, 155 A.2d. 721, 85 A.L.R.2d. 703 (superseded by statute on other grounds as stated in Poitras v. R. E. Glidden Body Shop, Inc. (Me) 430 A.2d. 1113); Connizzo v. General American Life Ins. Co. (Mo App), 520 S.W.2d. 661.

1 In our society, the PRIVATE "straw man" was created by the application for the birth certificate. It is a legal person under
2 contract law and under the Uniform Commercial Code (U.C.C.), with capacity to sue or be sued under the common law. It
3 is PRIVATE PROPERTY of the human being described in the birth certificate.

4 The PUBLIC officer "straw man" (e.g. statutory "taxpayer") was created by the Application for the Social Security Card,
5 SSA Form SS-5. It is a privileged STATUS under an [unconstitutional national franchise](#) of the [de facto government](#). It is
6 PROPERTY of the national government. The PUBLIC "straw man" is thoroughly described in:

Proof that There Is a "Straw Man", Form #05.042
<http://sedm.org/Forms/FormIndex.htm>

7 The PRIVATE "John Doe" is a statutory "non-resident alien non-individual" not engaged in the "trade or business"/PUBLIC
8 OFFICER franchise in relation to the PUBLIC. He exists in the republic and is a free inhabitant under the Articles of
9 Confederation. He has inalienable rights and unlimited liabilities. Those unlimited liabilities are described in

The Unlimited Liability Universe
<http://famguardian.org/Subjects/Spirituality/Articles/UnlimitedLiabilityUniverse.htm>

10 The PUBLIC "JOHN DOE" is a public office in the government corporation and statutory "U.S. citizen" per 8 U.S.C. §1401,
11 26 U.S.C. §3121(e), and 26 C.F.R. §1.1-1(c). He exists in the privileged [socialist democracy](#). He has "benefits", franchises,
12 obligations, immunities, and limited liability.

13 In the PRIVATE, money is an ASSET and always in the form of something that has intrinsic value, i.e. gold or silver. Payment
14 for anything is in the form of commercial set off.

15 In the PUBLIC, money is a LIABILITY or debt and normally takes the form of a promissory note, i.e. an Federal Reserve
16 Note (FRN), a check, bond or note. Payment is in the form of discharge in the future.

17 The PRIVATE realm is the basis for all contract and commerce under the Uniform Commercial Code (U.C.C.). The PUBLIC
18 realm was created by the bankruptcy of the PRIVATE entity. Generally, creditors can operate from the PRIVATE. PUBLIC
19 entities are all debtors (or slaves). The exercise of the right to contract by the PRIVATE straw man makes human beings into
20 SURETY for the PUBLIC straw man.

21 Your judicious exercise of your right to contract and the requirement for consent that protects it is the main thing that keeps
22 the PUBLIC separate from the PRIVATE. See:

Requirement for Consent, Form #05.003
<http://sedm.org/Forms/FormIndex.htm>

23 **Be careful how you use your right to contract!** It is the most DANGEROUS right you have because it can destroy ALL
24 of your PRIVATE rights by converting them to PUBLIC rights and offices.

25 ***"These general rules are well settled:***

26 ***(1) That the United States, when it creates rights in individuals against itself [a "public right", which is a***
27 ***euphemism for a "franchise" to help the court disguise the nature of the transaction], is under no obligation***
28 ***to provide a remedy through the courts.*** *United States ex rel. Dunlap v. Black, 128 U.S. 40, 9 Sup.Ct. 12, 32*
29 *L.Ed. 354; Ex parte Atocha, 17 Wall. 439, 21 L.Ed. 696; Gordon v. United States, 7 Wall. 188, 195, 19 L.Ed. 35;*
30 *De Groot v. United States, 5 Wall. 419, 431, 433, 18 L.Ed. 700; Comegys v. Vasse, 1 Pet. 193, 212, 7 L.Ed. 108.*

31 ***(2) That where a statute creates a right and provides a special remedy, that remedy is exclusive.*** *Wilder*
32 *Manufacturing Co. v. Corn Products Co., 236 U.S. 165, 174, 175, 35 Sup.Ct. 398, 59 L.Ed. 520, Ann.Cas. 1916A,*
33 *118; Arnson v. Murphy, 109 U.S. 238, 3 Sup.Ct. 184, 27 L.Ed. 920; Barnet v. National Bank, 98 U.S. 555, 558,*
34 *25 L.Ed. 212; Farmers' & Mechanics' National Bank v. Dearing, 91 U.S. 29, 35, 23 L.Ed. 196. Still the fact that*
35 *the right and the remedy are thus intertwined might not, if the provision stood alone, require us to hold that the*
36 *remedy expressly given excludes a right of review by the Court of Claims, where the decision of the special*
37 *tribunal involved no disputed question of fact and the denial of compensation was rested wholly upon the*
38 *construction of the act. See Medbury v. United States, 173 U.S. 492, 198, 19 Sup.Ct. 503, 43 L.Ed. 779; Parish v.*
39 *MacVeagh, 214 U.S. 124, 29 Sup.Ct. 556, 53 L.Ed. 936; McLean v. United States, 226 U.S. 374, 33 Sup.Ct. 122,*

1 57 L.Ed. 260; *United States v. Laughlin* (No. 200), 249 U.S. 440, 39 Sup.Ct. 340, 63 L.Ed. 696, decided April 14,
2 1919.”
3 [U.S. v. *Babcock*, 250 U.S. 328, 39 S.Ct. 464 (1919)]

4 All PUBLIC franchises are contracts or agreements and therefore participating in them is an act of contracting.

5 “It is generally conceded that a franchise is the subject of a contract between the grantor and the grantee, and
6 that it does in fact constitute a contract when the requisite element of a consideration is present.⁹ Conversely, a
7 franchise granted without consideration is not a contract binding upon the state, franchisee, or pseudo-
8 franchisee.¹⁰ “
9 [36 American Jurisprudence 2d, *Franchises*, §6: *As a Contract* (1999)]

10 Franchises include Social Security, income taxation (“trade or business”/public office franchise), unemployment insurance,
11 driver licensing (“driver” franchise), and marriage licensing (“spouse” franchise).

12 “You shall make no covenant [contract or franchise] with them [foreigners, pagans], nor with their [pagan
13 government] gods [laws or judges]. They shall not dwell in your land [and you shall not dwell in theirs by
14 becoming a “resident” or domiciliary in the process of contracting with them], lest they make you sin against Me
15 [God]. For if you serve their [government] gods [under contract or agreement or franchise], it will surely be a
16 snare to you.”
17 [Exodus 23:32-33, Bible, NKJV]

18 Governments become corrupt by:

- 19 1. Refusing to recognize the PRIVATE.
- 20 2. Undermining or interfering with the invocation of the common law in courts of justice.
- 21 3. Allowing false information returns to be abused to convert the PRIVATE into the PUBLIC without the consent of the
22 owner.
- 23 4. Destroying or undermining remedies for the protection of PRIVATE rights.
- 24 5. Replacing CONSTITUTIONAL courts with LEGISLATIVE FRANCHISE courts.
- 25 6. Making judges into statutory franchisees such as “taxpayers”, through which they are compelled to have a conflict of
26 interest that ultimately destroys or undermines all private rights. This is a crime and a civil offense in violation of 18
27 U.S.C. §208, 28 U.S.C. §144, and 28 U.S.C. §455.
- 28 7. Offering or enforcing government franchises to people not domiciled on federal territory. This breaks down the
29 separation of powers and enforces franchise law extraterritorially.
- 30 8. Abusing “words of art” to blur or confuse the separation between the PUBLIC and the PRIVATE. (deception)
- 31 9. Removing the domicile prerequisite for participation in government franchises through policy and not law, thus
32 converting them into essentially PRIVATE business ventures that operate entirely through the right to contract.
- 33 10. Abusing sovereign immunity to protect PRIVATE government business ventures, thus destroying competition and
34 implementing a state-sponsored monopoly.
- 35 11. Refusing to criminally prosecute those who compel participation in government franchises.
- 36 12. Turning citizenship into a statutory franchise, and thus causing people who claim citizen status to unwittingly become
37 PUBLIC officers.
- 38 13. Allowing presumption to be used as a substitute for evidence in any proceeding to enforce government franchises
39 against an otherwise PRIVATE party. This violates due process of law, unfairly advantages the government, and
40 imputes to the government supernatural powers as an object of religious worship.

41 Therefore, it is important to learn how to be EXCLUSIVELY PRIVATE and a CREDITOR in all of our affairs. Freedom is
42 possible in the PRIVATE; it is not even a valid fantasy in the realm of the PUBLIC.

⁹ *Larson v. South Dakota*, 278 U.S. 429, 73 L.Ed. 441, 49 S.Ct. 196; *Grand Trunk Western R. Co. v. South Bend*, 227 U.S. 544, 57 L.Ed. 633, 33 S.Ct. 303; *Blair v. Chicago*, 201 U.S. 400, 50 L.Ed. 801, 26 S.Ct. 427; *Arkansas-Missouri Power Co. v. Brown*, 176 Ark. 774, 4 S.W.2d. 15, 58 A.L.R. 534; *Chicago General R. Co. v. Chicago*, 176 Ill. 253, 52 N.E. 880; *Louisville v. Louisville Home Tel. Co.*, 149 Ky. 234, 148 S.W. 13; *State ex rel. Kansas City v. East Fifth Street R. Co.* 140 Mo. 539, 41 S.W. 955; *Baker v. Montana Petroleum Co.*, 99 Mont. 465, 44 P.2d. 735; *Re Board of Fire Comrs.* 27 N.J. 192, 142 A.2d. 85; *Chrysler Light & P. Co. v. Belfield*, 58 N.D. 33, 224 N.W. 871, 63 A.L.R. 1337; *Franklin County v. Public Utilities Com.*, 107 Ohio.St. 442, 140 N.E. 87, 30 A.L.R. 429; *State ex rel. Daniel v. Broad River Power Co.* 157 S.C. 1, 153 S.E. 537; *Rutland Electric Light Co. v. Marble City Electric Light Co.*, 65 Vt. 377, 26 A. 635; *Virginia-Western Power Co. v. Commonwealth*, 125 Va. 469, 99 S.E. 723, 9 A.L.R. 1148, cert den 251 U.S. 557, 64 L.Ed. 413, 40 S.Ct. 179, disapproved on other grounds *Victoria v. Victoria Ice, Light & Power Co.* 134 Va. 134, 114 S.E. 92, 28 A.L.R. 562, and disapproved on other grounds *Richmond v. Virginia Ry. & Power Co.* 141 Va. 69, 126 S.E. 353.

¹⁰ *Pennsylvania R. Co. v. Bowers*, 124 Pa 183, 16 A 836.

1 Below is a summary:

2 **Table 2: Public v. Private**

#	Characteristic	Private	Public
1	Name	“John Doe”	“JOHN DOE” (idemsonans)
2	Created by	Birth certificate	Application for SS Card, SSA Form SS-5
3	Property of	Human being	Government
4	Protected by	Common law	Statutory franchises
5	Type of rights exercised	Private rights Constitutional rights	Public rights Statutory privileges
6	Rights/privileges attach to	LAND you stand on	Statutory STATUS under a voluntary civil franchise
7	Courts which protect or vindicate rights/privileges	Constitutional courts under Article III in the true Judicial Branch	Legislative administrative franchise courts under Articles 1 and IV in the Executive Branch.
8	Domiciled on	Private property	Public property/federal territory
9	Commercial standing	Creditor	Debtor
10	Money	Gold and silver	Promissory note (debt instrument)
11	Sovereign being worshipped/obeyed	God	Governments and political rulers (The Beast, Rev. 19:19). Paganism
12	Purpose of government	Protect PRIVATE rights	Expand revenues and control over the populace and consolidate all rights and sovereignty to itself
13	Government consists of	Body POLITIC (PRIVATE) and body CORPORATE (PUBLIC)	Body CORPORATE (PUBLIC) only . All those in the body POLITIC are converted into officers of the corporation by abusing franchises.

3 **3.7 All PUBLIC/GOVERNMENT law attaches to government territory, all PRIVATE law**
4 **attaches to your right to contract**

5 A very important consideration to understand is that:

- 6 1. All EXCLUSIVELY PUBLIC LAW attaches to the government’s own territory. By “PUBLIC”, we mean law that
7 runs the government and ONLY the government.
8 2. All EXCLUSIVELY PRIVATE law attaches to one of the following:
9 2.1. The exercise of your right to contract with others.
10 2.2. The property you own and lend out to others based on specific conditions.

11 Item 2.2 needs further attention. Here is how that mechanism works:

12 *“How, then, are purely equitable obligations created? For the most part, either by the acts of third persons or by*
13 *equity alone. **But how can one person impose an obligation upon another? By giving property to the latter on***
14 ***the terms of his assuming an obligation in respect to it. At law there are only two means by which the object of***
15 ***the donor could be at all accomplished, consistently with the entire ownership of the property passing to the***
16 ***donee, namely: first, by imposing a real obligation upon the property; secondly, by subjecting the title of the***
17 ***donee to a condition subsequent.** The first of these the law does not permit; the second is entirely inadequate.*
18 *Equity, however, can secure most of the objects of the doner, and yet avoid the mischiefs of real obligations by*
19 *imposing upon the donee (and upon all persons to whom the property shall afterwards come without value or*
20 *with notice) **a personal obligation with respect to the property; and accordingly this is what equity does.** It is in*
21 *this way that all trusts are created, and all equitable charges made (i.e., equitable hypothecations or liens created)*
22 *by testators in their wills. In this way, also, most trusts are created by acts inter vivos, except in those cases in*
23 *which the trustee incurs a legal as well as an equitable obligation. **In short, as property is the subject of every***
24 ***equitable obligation, so the owner of property is the only person whose act or acts can be the means of creating***
25 ***an obligation in respect to that property. Moreover, the owner of property can create an obligation in respect***
26 ***to it in only two ways: first, by incurring the obligation himself, in which case he commonly also incurs a legal***
27 ***obligation; secondly, by imposing the obligation upon some third person; and this he does in the way just***
28 ***explained.”***

29 *[Readings on the History and System of the Common Law, Second Edition, Roscoe Pound, 1925, p. 543]*

1 Next, we must describe exactly what we mean by “territory”, and the three types of “territory” identified by the U.S. Supreme
2 Court in relation to the term “United States”. Below is how the United States Supreme Court addressed the question of the
3 meaning of the term “United States” (see Black’s Law Dictionary) in the famous case of *Hooven & Allison Co. v. Evatt*, 324
4 U.S. 652 (1945). The Court ruled that the term United States has three uses:

5 *"The term 'United States' may be used in any one of several senses. It may be merely the name of a sovereign*
6 *occupying the position analogous to that of other sovereigns in the family of nations. It may designate the*
7 *territory over which the sovereignty of the United States extends, or it may be the collective name of the states*
8 *which are united by and under the Constitution."*
9 [\[Hooven & Allison Co. v. Evatt, 324 U.S. 652 \(1945\)\]](#)

10 We will now break the above definition into its three contexts and show what each means.
11

Table 3: Meanings assigned to "United States" by the U.S. Supreme Court in *Hooven & Allison v. Evatt*

#	U.S. Supreme Court Definition of "United States" in <i>Hooven</i>	Context in which usually used	Referred to in this article as	Interpretation
1	"It may be merely the name of a sovereign occupying the position analogous to that of other sovereigns in the family of nations."	International law	"United States**"	"These <u>united States</u> ," when traveling abroad, you come under the jurisdiction of the President through his agents in the U.S. State Department, where "U.S." refers to the sovereign society. You are a "Citizen of the United States" like someone is a Citizen of France, or England. We identify this version of "United States" with a single asterisk after its name: "United States*" throughout this article.
2	"It may designate the territory over which the sovereignty of the United States extends, or"	Federal law Federal forms	"United States**"	"The United States (the District of Columbia, possessions and territories)". Here Congress has exclusive legislative jurisdiction. In this sense, the term "United States" is a singular noun. You are a person residing in the District of Columbia, one of its Territories or Federal areas (enclaves). Hence, even a person living in the one of the sovereign States could still be a member of the Federal area and therefore a "citizen of the United States." This is the definition used in most "Acts of Congress" and federal statutes. We identify this version of "United States" with two asterisks after its name: "United States**" throughout this article. This definition is also synonymous with the "United States" corporation found in 28 U.S.C. §3002(15)(A).
3	"...as the collective name for the states which are united by and under the Constitution."	Constitution of the United States	"United States***"	"The <u>several States</u> which is the <u>united States of America</u> ." Referring to the <u>50 sovereign States</u> , which are united under the <u>Constitution of the United States of America</u> . The federal areas within these states are not included in this definition because the <u>Congress does not</u> have exclusive legislative authority over any of the <u>50 sovereign States within the Union of States</u> . Rights are retained by the <u>States</u> in the 9th and 10th Amendments, and you are a "Citizen of these <u>united States</u> ." This is the definition used in the Constitution for the United States of America. We identify this version of "United States" with a three asterisks after its name: "United States***" throughout this article.

The way our present system functions, all PUBLIC rights are attached to federal territory. They cannot lawfully attach to EXCLUSIVELY PRIVATE property because the right to regulate EXCLUSIVELY PRIVATE rights is repugnant to the constitution, as held by the U.S. Supreme Court.

Lastly, when the government enters the realm of commerce and private business activity, it operates in equity and is treated as EQUAL in every respect to everyone else. ONLY in this capacity can it enact law that does NOT attach to its own territory and to those DOMICILED on its territory:

See also Clearfield Trust Co. v. United States, 318 U.S. 363, 369 (1943) ("The United States does business on business terms") (quoting United States v. National Exchange Bank of Baltimore, 270 U.S. 527, 534 (1926)); Perry v. United States, supra at 352 (1935) ("When the United States, with constitutional authority, makes contracts, it has rights and incurs responsibilities similar to those of individuals who are parties to such instruments. There is no difference . . . except that the United States cannot be sued without its consent") (citation omitted); United States v. Bostwick, 94 U.S. 53, 66 (1877) ("The United States, when they contract with their citizens, are controlled by the same laws that govern the citizen in that behalf"); Cooke v. United States, 91 U.S. 389, 398 (1875) (explaining that when the United States "comes down from its position of sovereignty, and enters the domain of commerce, it submits itself to the same laws that govern individuals there").

See Jones, 1 Cl.Ct. at 85 ("Wherever the public and private acts of the government seem to commingle, a citizen or corporate body must by supposition be substituted in its place, and then the question be determined whether the action will lie against the supposed defendant"); O'Neill v. United States, 231 Ct.Cl. 823, 826 (1982) (sovereign acts doctrine applies where, "[w]here [the] contracts exclusively between private parties, the party hurt by such governing action could not claim compensation from the other party for the governing action"). The dissent ignores these statements (including the statement from Jones, from which case Horowitz drew its reasoning literally verbatim), when it says, post at 931, that the sovereign acts cases do not emphasize the need to treat the government-as-contractor the same as a private party. [United States v. Winstar Corp. 518 U.S. 839 (1996)]

If a government wants to reach outside its territory and create PRIVATE law for those who have not consented to its jurisdiction by choosing a domicile on its territory, the ONLY method it has for doing this is to exercise its right to contract.

Debt and contract [franchise agreement, in this case] are of no particular place.

1 *Locus contractus regit actum.*
2 *The place of the contract [franchise agreement, in this case] governs the act.*
3 *[Bouvier's Maxims of Law, 1856;*
4 *SOURCE: <http://famguardian.org/Publications/BouvierMaximsOfLaw/BouvierMaxims.htm>]*

5 The most important method by which governments exercise their PRIVATE right to contract and disassociate with the
6 territorial limitation upon their lawmaking powers is through the use or abuse of franchises, which are contracts.

7 *As a rule, franchises spring from contracts between the sovereign power and private citizens, made upon
8 valuable considerations, for purposes of individual advantage as well as public benefit,¹¹ and thus a franchise
9 partakes of a double nature and character. So far as it affects or concerns the public, it is publici juris and is
10 subject to governmental control. The legislature may prescribe the manner of granting it, to whom it may be
11 granted, the conditions and terms upon which it may be held, and the duty of the grantee to the public in
12 exercising it, and may also provide for its forfeiture upon the failure of the grantee to perform that duty. But
13 when granted, it becomes the property of the grantee, and is a private right, subject only to the governmental
14 control growing out of its other nature as publici juris.¹²
15 *[American Jurisprudence 2d, Franchises, §4: Generally (1999)]**

16 **3.8 The Ability to Regulate Private Rights and Private Conduct is Repugnant to the** 17 **Constitution**

18 The following cite establishes that private rights and private property are entirely beyond the control of the government:

19 *When one becomes a member of society, he necessarily parts with some rights or privileges which, as an*
20 *individual not affected by his relations to others, he might retain. "A body politic," as aptly defined in the*
21 *preamble of the Constitution of Massachusetts, "is a social compact by which the whole people covenants with*
22 *each citizen, and each citizen with the whole people, that all shall be governed by certain laws for the common*
23 *good." This does not confer power upon the whole people to control rights which are purely and exclusively*
24 *private, Thorpe v. R. & B. Railroad Co., 27 Vt. 143; but it does authorize the establishment of laws requiring*
25 *each citizen to so conduct himself, and so use his own property, as not unnecessarily to injure another. This is*
26 *the very essence of government, and 125*125 has found expression in the maxim sic utere tuo ut alienum non*
27 *ledas. From this source come the police powers, which, as was said by Mr. Chief Justice Taney in the License*
28 *Cases, 5 How. 583, "are nothing more or less than the powers of government inherent in every sovereignty, . .*
29 *. that is to say, . . . the power to govern men and things."*
30 *Under these powers the government regulates the*
31 *conduct of its citizens one towards another, and the manner in which each shall use his own property, when such*
32 *regulation becomes necessary for the public good. In their exercise it has been customary in England from time*
33 *immemorial, and in this country from its first colonization, to regulate ferries, common carriers, hackmen, bakers,*
34 *millers, wharfingers, innkeepers, &c., and in so doing to fix a maximum of charge to be made for services*
35 *upon some or all these subjects; and we think it has never yet been successfully contended that such legislation*
36 *came within any of the constitutional prohibitions against interference with private property. With the Fifth*
37 *Amendment in force, Congress, in 1820, conferred power upon the city of Washington "to regulate . . . the rates*
38 *of wharfage at private wharves, . . . the sweeping of chimneys, and to fix the rates of fees therefor, . . . and the*
39 *weight and quality of bread," 3 Stat. 587, sect. 7; and, in 1848, "to make all necessary regulations respecting*
40 *hackney carriages and the rates of fare of the same, and the rates of hauling by cartmen, wagoners, carmen, and*
41 *draymen, and the rates of commission of auctioneers," 9 id. 224, sect. 2.*
42 *[Munn v. Illinois, 94 U.S. 113 (1876),*
43 *SOURCE: http://scholar.google.com/scholar_case?case=6419197193322400931]*

44 Notice that they say that the ONLY basis to regulate private rights is to prevent injury of one man to another by the use of
45 said property. They say that this authority is the origin of the "police powers" of the state. What they hide, however, is that
46 these same POLICE POWERS involve the CRIMINAL laws and EXCLUDE the CIVIL laws or even franchises. You can
47 TELL they are trying to hide something because around this subject they invoke the Latin language that is unknown to most
48 Americans to conceal the nature of what they are doing. Whenever anyone invokes Latin in a legal setting, a red flag ought
49 to go up because you KNOW they are trying to hide a KEY fact. Here is the Latin they invoked:

50 *"sic utere tuo ut alienum non ledas"*

¹¹ Georgia R. & Power Co. v. Atlanta, 154 Ga. 731, 115 S.E. 263; Lippencott v. Allander, 27 Iowa 460; State ex rel. Hutton v. Baton Rouge, 217 La. 857, 47 So.2d. 665; Tower v. Tower & S. Street R. Co., 68 Minn. 500, 71 N.W. 691.

¹² Georgia R. & Power Co. v. Atlanta, 154 Ga. 731, 115 S.E. 263; Lippencott v. Allander, 27 Iowa 460; State ex rel. Hutton v. Baton Rouge, 217 La. 857, 47 So.2d. 665; Tower v. Tower & S. Street R. Co., 68 Minn. 500, 71 N.W. 691.

1 The other phrase to notice in the Munn case above is the use of the word "social compact". A compact is legally defined as
2 a contract.

3 *"Compact, n. An agreement or contract between persons, nations, or states. Commonly applied to working*
4 *agreements between and among states concerning matters of mutual concern. A contract between parties, which*
5 *creates obligations and rights capable of being enforced and contemplated as such between the parties, in their*
6 *distinct and independent characters. A mutual consent of parties concerned respecting some property or right*
7 *that is the object of the stipulation, or something that is to be done or forborne. See also Compact clause;*
8 *Confederacy; Interstate compact; Treaty."*
9 *[Black's Law Dictionary, Sixth Edition, p. 281]*

10 Therefore, one cannot exercise their First Amendment right to legally associate with or contract with a SOCIETY and thereby
11 become a party to the "social compact/contract" without ALSO becoming a STATUTORY "citizen". By statutory citizen,
12 we really mean a domiciliary of a SPECIFIC municipal jurisdiction, and not someone who was born or naturalized in that
13 place. Hence, by STATUTORY citizen we mean a person who:

- 14 1. Has voluntarily chosen a civil domicile within a specific municipal jurisdiction and thereby become a "citizen" or
15 "resident" of said jurisdiction. "citizens" or "residents" collectively are called "inhabitants".
- 16 2. Has indicated their choice of domicile on government forms in the block called "residence" or "permanent address".
- 17 3. CONSENTS to be protected by the regional civil laws of a SPECIFIC municipal government.

18 A CONSTITUTIONAL citizen, on the other hand, is someone who cannot consent to choose the place of their birth. These
19 people in statutes are called "non-citizen nationals". Neither BEING BORN nor being PHYSICALLY PRESENT in a place
20 is an express exercise of one's discretion or an act of CONSENT, and therefore cannot make one a government contractor
21 called a statutory "U.S. citizen". That is why birth or naturalization determines nationality but not their status under the
22 CIVIL laws. All civil jurisdiction is based on "consent of the governed", as the Declaration of Independence indicates. Those
23 who do NOT consent to the civil laws that implement the social compact of the municipal government they are
24 PHYSICALLY situated within are called "free inhabitants", "nonresidents", "transient foreigners", "non-citizen nationals",
25 or "foreign sovereigns". These "free inhabitants" are mentioned in the Articles of Confederation, which continue to this day
26 and they are NOT the same and mutually exclusive to a statutory "U.S. citizen". These "free inhabitants" instead are
27 CIVILLY governed by the common law RATHER than the civil law.

28 Policemen are NOT allowed to involve themselves in CIVIL disputes and may ONLY intervene or arrest anyone when a
29 CRIME has been committed. They CANNOT arrest for an "infraction", which is a word designed to hide the fact that the
30 statute being enforced is a CIVIL or FRANCHISE statute not involving the CRIMINAL "police powers". Hence, civil
31 jurisdiction over PRIVATE rights is NOT authorized among those who HAVE such rights. Only those who know those
32 rights and claim and enforce them, not through attorneys but in their proper person, have such rights. Nor can those PRIVATE
33 rights lawfully be surrendered to a REAL, de jure government, even WITH consent, if they are, in fact UNALIENABLE as
34 the Declaration of Independence indicates.

35 *"Unalienable. Inalienable; incapable of being aliened, that is, sold and transferred."*
36 *[Black's Law Dictionary, Fourth Edition, p. 1693]*

37 The only people who can consent to give away a right are those who HAVE no rights because domiciled on federal territory
38 not protected by the Constitution or the Bill of Rights:

39 *"Indeed, the practical interpretation put by Congress upon the Constitution has been long continued and uniform*
40 *to the effect [182 U.S. 244, 279] that the Constitution is applicable to territories acquired by purchase or*
41 *conquest, only when and so far as Congress shall so direct. Notwithstanding its duty to 'guarantee to every*
42 *state in this Union a republican form of government' (art. 4, 4), by which we understand, according to the*
43 *definition of Webster, 'a government in which the supreme power resides in the whole body of the people, and*
44 *is exercised by representatives elected by them,' Congress did not hesitate, in the original organization of the*
45 *territories of Louisiana, Florida, the Northwest Territory, and its subdivisions of Ohio, Indiana, Michigan,*
46 *Illinois, and Wisconsin and still more recently in the case of Alaska, to establish a form of government bearing*
47 *a much greater analogy to a British Crown colony than a republican state of America, and to vest the legislative*
48 *power either in a governor and council, or a governor and judges, to be appointed by the President. It was not*
49 *until they had attained a certain population that power was given them to organize a legislature by vote of the*
50 *people. In all these cases, as well as in territories subsequently organized west of the Mississippi, Congress*
51 *thought it necessary either to extend to Constitution and laws of the United States over them, or to declare that*
52 *the inhabitants should be entitled to enjoy the right of trial by jury, of bail, and of the privilege of the writ of*
53 *habeas corpus, as well as other privileges of the bill of rights."*
54 *[Downes v. Bidwell, 182 U.S. 244 (1901)]*

1 To apply these concepts, the police enforce the "vehicle code", but most of the vehicle code is a civil franchise that they may
2 NOT enforce without ABUSING the police powers of the state. In recognition of these concepts, the civil provisions of the
3 vehicle code are called "infractions" rather than "crimes". AND, before the civil provisions of the vehicle code may lawfully
4 be enforced against those using the public roadways, one must be a "resident" with a domicile not within the state, but on
5 federal territory where rights don't exist. All civil law attaches to SPECIFIC territory. That is why by applying for a driver's
6 license, most state vehicle codes require that the person must be a "resident" of the state, meaning a person with a domicile
7 within the statutory but not Constitutional "United States", meaning federal territory.

8 So what the vehicle codes in most states do is mix CRIMINAL and CIVIL and even PRIVATE franchise law all into one
9 title of code, call it the "Vehicle code", and make it extremely difficult for even the most law abiding "citizen" to distinguish
10 which provisions are CIVIL/FRANCHISES and which are CRIMINAL, because they want to put the police force to an
11 UNLAWFUL use enforcing CIVIL rather than CRIMINAL law. This has the practical effect of making the "CODE" not
12 only a deception, but void for vagueness on its face, because it fails to give reasonable notice to the public at large, WHICH
13 specific provisions pertain to EACH subset of the population. That in fact, is why they have to call it "the code", rather than
14 simply "law": Because the truth is encrypted and hidden in order to unlawfully expand their otherwise extremely limited
15 civil jurisdiction. The two subsets of the population who they want to confuse and mix together in order to undermine your
16 sovereignty are:

- 17 1. Those who consent to the "social compact" by choosing a domicile or residence within a specific municipal
18 jurisdiction. These people are identified by the following statutory terms:
 - 19 1.1. Individuals.
 - 20 1.2. Residents.
 - 21 1.3. Citizens.
 - 22 1.4. Inhabitants.
 - 23 1.5. PUBLIC officers serving as an instrumentality of the government.
- 24 2. Those who do NOT consent to the "social compact" and who therefore are called:
 - 25 2.1. Free inhabitants.
 - 26 2.2. Nonresidents.
 - 27 2.3. Transient foreigners.
 - 28 2.4. Sojourners.
 - 29 2.5. EXCLUSIVELY PRIVATE human beings beyond the reach of the civil statutes implementing the social
30 compact.

31 The way they get around the problem of only being able to enforce the CIVIL provisions of the vehicle code against
32 domiciliaries of the federal zone is to:

- 33 1. ONLY issue driver licenses to "residents" domiciled in the federal zone.
- 34 2. Confuse CONSTITUTIONAL "citizens" with STATUTORY "citizens", to make them appear the same even though
35 they are NOT.
- 36 3. Arrest people for driving WITHOUT a license, even though technically these provisions can only be enforceable
37 against those who are acting as a public officer WHILE driving AND who are STATUTORY but not
38 CONSTITUTIONAL "citizens".

39 The act of "governing" WITHOUT consent therefore implies CRIMINAL governing, not CIVIL governing. To procure
40 CIVIL jurisdiction over a private right requires the CONSENT of the owner of the right. That is why the U.S. Supreme Court
41 states in Munn the following:

42 *"When one becomes a member of society, he necessarily parts with some rights or privileges which, as an*
43 *individual not affected by his relations to others, he might retain."*
44 *[Munn v. Illinois, 94 U.S. 113 (1876),*
45 *SOURCE: http://scholar.google.com/scholar_case?case=6419197193322400931]*

46 Therefore, if one DOES NOT consent to join a "society" as a statutory citizen, he RETAINS those SOVEREIGN rights that
47 would otherwise be lost through the enforcement of the civil law. Here is how the U.S. Supreme Court describes this
48 requirement of law:

1 "Men are endowed by their Creator with certain unalienable rights, - 'life, liberty, and the pursuit of happiness;' and to 'secure,' not grant or create, these rights, governments are instituted. That property [or income] which a man has honestly acquired he retains full control of, subject to these limitations:

4 [1] First, that he shall not use it to his neighbor's injury, and that does not mean that he must use it for his neighbor's benefit [e.g. SOCIAL SECURITY, Medicare, and every other public "benefit"];

7 [2] second, that if he devotes it to a public use, he gives to the public a right to control that use; and

8 [3] third, that whenever the public needs require, the public may take it upon payment of due compensation."
9 [Budd v. People of State of New York, [143 U.S. 517](#) (1892)]

10 A PRIVATE right that is unalienable cannot be given away by a citizen, even WITH consent, to a de jure government. Hence, the only people that any government may CIVILLY govern are those without unalienable rights, all of whom MUST therefore be domiciled on federal territory where CONSTITUTIONAL rights do not exist.

13 Notice that when they are talking about "regulating" conduct using CIVIL law, all of a sudden they mention "citizens" instead of ALL PEOPLE. These "citizens" are those with a DOMICILE within federal territory not protected by the Constitution:

15 "Under these powers the government regulates the **conduct of its citizens** one towards another, and the manner in which each shall use his own property, when such regulation becomes necessary for the public good."
16 [Munn v. Illinois, 94 U.S. 113 (1876),
17 SOURCE: http://scholar.google.com/scholar_case?case=6419197193322400931]
18

19 All "citizens" that they can regulate therefore must be WITHIN the government and be acting as public officers. Otherwise, they would continue to be PRIVATE parties beyond the CIVIL control of any government. Hence, in a Republican Form of Government where the People are sovereign:

- 22 1. The only "subjects" under the civil law are public officers in the government.
- 23 2. The government is counted as a STATUTORY "citizen" but not a CONSTITUTIONAL "citizen". All
24 CONSTITUTIONAL citizens are human beings and CANNOT be artificial entities. All STATUTORY citizens, on the
25 other hand, are artificial entities and franchises and NOT CONSTITUTIONAL citizens.

26 "A corporation [the U.S. government, and all those who represent it as public officers, is a federal corporation
27 per 28 U.S.C. §3002(15)(A)] is a citizen, resident, or inhabitant of the state or country by or under the laws of
28 which it was created, and of that state or country only."
29 [19 Corpus Juris Secundum (C.J.S.), Corporations, §886 (2003)]

31 "Citizens of the United States within the meaning of this Amendment must be natural and not artificial
32 persons; a corporate body is not a citizen of the United States."¹⁴

33
34 14 Insurance Co. v. New Orleans, 13 Fed.Cas. 67 (C.C.D.La. 1870). Not being citizens of the United States, corporations accordingly have been declared unable "to claim the protection of that clause of the Fourteenth Amendment which secures the privileges and immunities of citizens of the United States against abridgment or impairment by the law of a State." Orient Ins. Co. v. Daggs, 172 U.S. 557, 561 (1869) . This conclusion was in harmony with the earlier holding in Paul v. Virginia, 75 U.S. (8 Wall.) 168 (1869), to the effect that corporations were not within the scope of the privileges and immunities clause of state citizenship set out in Article IV, Sec. 2. See also Selover, Bates & Co. v. Walsh, 226 U.S. 112, 126 (1912) ; Berea College v. Kentucky, 211 U.S. 45 (1908) ; Liberty Warehouse Co. v. Tobacco Growers, 276 U.S. 71, 89 (1928) ; Grosjean v. American Press Co., 297 U.S. 233, 244 (1936).
41
42 [SOURCE: Annotated Fourteenth Amendment, Congressional Research Service:
43 http://www.law.cornell.edu/aml#amdt14a_hd1]
44

- 45 3. The only statutory "citizens" are public offices in the government.
- 46 4. By serving in a public office, one becomes the same type of "citizen" as the GOVERNMENT is.

1 These observations are consistent with the very word roots that form the word "republic". The following video says the word
2 origin comes from "res publica", which means a collection of PUBLIC rights shared by the public. You must therefore JOIN
3 "the public" and become a public officer before you can partake of said PUBLIC right.

Overview of America, SEDM Liberty University, Section 2.3
<http://sedm.org/LibertyU/LibertyU.htm>

4 This gives a WHOLE NEW MEANING to Abraham Lincoln's Gettysburg Address, in which he refers to American
5 government as:

6 *"A government of the people, by the people, and for the people."*

7 You gotta volunteer as an uncompensated public officer for the government to CIVILLY govern you. Hence, the only thing
8 they can CIVILLY GOVERN, is the GOVERNMENT! Pretty sneaky, huh? Here is a whole memorandum of law on this
9 subject proving such a conclusion:

Why Statutory Civil Law is Law for Government and Not Private Persons, Form #05.037
FORMS PAGE: <http://sedm.org/Forms/FormIndex.htm>
DIRECT LINK: <http://sedm.org/Form...StatLawGovt.pdf>

10 The other important point we wish to emphasize is that those who are EXCLUSIVELY private and therefore beyond the
11 reach of the civil law are:

- 12 1. Free inhabitants.
- 13 2. Not a statutory "person" under the civil law or franchise statute in question.
- 14 3. Not "individuals" under the CIVIL law if they are human beings. All statutory "individuals", in fact, are identified as
15 "employees" under 5 U.S.C. §2105(a). This is the ONLY statute that describes HOW one becomes a statutory
16 "individual" that we have been able to find.
- 17 4. "foreign", a "transient foreigner", and sovereign in respect to government CIVIL but not CRIMINAL jurisdiction.
- 18 5. NOT "subject to" but also not necessarily statutorily "exempt" under the civil or franchise statute in question.

19 For a VERY interesting background on the subject of this section, we recommend reading the following case:

Mugler v. Kansas, 123 U.S. 623 (1887)
SOURCE: http://scholar.google.com/scholar_case?case=12658364258779560123

20 **3.9 Lawful methods for converting PRIVATE property into PUBLIC property**

21 Next, we must carefully consider all the rules by which EXCLUSIVELY PRIVATE property is lawfully converted into
22 PUBLIC property subject to government control or civil regulation. These rules are important, because the status of a
23 particular type of property as either PRIVATE or PUBLIC determines whether either COMMON LAW or STATUTORY
24 LAW apply respectively.

25 In general, only by either accepting physical property from the government or voluntarily applying for and claiming a status
26 or right under a government franchise can one procure a PUBLIC status and be subject to STATUTORY civil law. If one
27 wishes to be governed ONLY by the common law, then they must make their status very clear in every interaction with the
28 government and on EVERY government form they fill out so as to avoid connecting them to any statutory franchise.

29 Below is a detailed list of the rules for converting PRIVATE property to PUBLIC property:

- 30 1. The purpose for establishing governments is mainly to protect private property. The Declaration of Independence affirms
31 this:

32 *"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator*
33 *with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.--That to secure*
34 *these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed,*
35 *-"*

1 [Declaration of Independence, 1776]

- 2 2. Government protects private rights by keeping “public [government] property” and “private property” separate and never
3 allowing them to be joined together. This is the heart of the separation of powers doctrine: separation of what is private
4 from what is public with the goal of protecting mainly what is private. See:

Government Conspiracy to Destroy the Separation of Powers, Form #05.023
<http://sedm.org/Forms/FormIndex.htm>

- 5 3. All property BEGINS as private property. The only way to lawfully change it to public property is through the exercise
6 of your unalienable constitutional right to contract. All franchises qualify as a type of contract, and therefore, franchises
7 are one of many methods to lawfully convert PRIVATE property to PUBLIC property. The exercise of the right to
8 contract, in turn, is an act of consent that eliminates any possibility of a legal remedy of the donor against the donee:

9 “Volunt non fit injuria.
10 He who consents cannot receive an injury. 2 Bouv. Inst. n. 2279, 2327; 4 T.R. 657; Shelf. on mar. & Div. 449.

11 Consensus tollit errorem.
12 Consent removes or obviates a mistake. Co. Litt. 126.

13 Melius est omnia mala pati quam malo concentire.
14 It is better to suffer every wrong or ill, than to consent to it. 3 Co. Inst. 23.

15 Nemo videtur fraudare eos qui sciunt, et consentiunt.
16 One cannot complain of having been deceived when he knew the fact and gave his consent. Dig. 50, 17, 145.”
17 [Bouvier’s Maxims of Law, 1856;
18 SOURCE: <http://fanguardian.org/Publications/BouvierMaximsOfLaw/BouviereMaxims.htm>]

- 19 4. In law, all rights are “property”.

20 **Property.** That which is peculiar or proper to any person; that which belongs exclusively to one. In the strict legal
21 sense, an aggregate of rights which are guaranteed and protected by the government. Fulton Light, Heat &
22 Power Co. v. State, 65 Misc.Rep. 263, 121 N.Y.S. 536. The term is said to extend to every species of valuable
23 right and interest. More specifically, ownership; the unrestricted and exclusive right to a thing; the right to
24 dispose of a thing in every legal way, to possess it, to use it, and to exclude everyone else from interfering with it.
25 That dominion or indefinite right of use or disposition which one may lawfully exercise over particular things or
26 subjects. The exclusive right of possessing, enjoying, and disposing of a thing. The highest right a man can have
27 to anything; being used to refer to that right which one has to lands or tenements, goods or chattels, which no
28 way depends on another man’s courtesy.

29 The word is also commonly used to denote everything which is the subject of ownership, corporeal or incorporeal,
30 tangible or intangible, visible or invisible, real or personal, everything that has an exchangeable value or which
31 goes to make up wealth or estate. It extends to every species of valuable right and interest, and includes real
32 and personal property, easements, franchises, and incorporeal hereditaments, and includes every invasion of
33 one’s property rights by actionable wrong. Labberton v. General Cas. Co. of America, 53 Wash.2d. 180, 332
34 P.2d. 250, 252, 254.

35 Property embraces everything which is or may be the subject of ownership, whether a legal ownership, or whether
36 beneficial, or a private ownership. Davis v. Davis. TexCiv-App., 495 S.W.2d. 607. 611. Term includes not only
37 ownership and possession but also the right of use and enjoyment for lawful purposes. Hoffmann v. Kinealy, Mo.,
38 389 S.W.2d. 745, 752.

39 Property, within constitutional protection, denotes group of rights inhering in citizen’s relation to physical
40 thing, as right to possess, use and dispose of it. Cereghino v. State By and Through State Highway Commission,
41 230 Or. 439, 370 P.2d. 694, 697.
42 [Black’s Law Dictionary, Fifth Edition, p. 1095]

43 By protecting your constitutional rights, the government is protecting your PRIVATE property. Your rights are private
44 property because they came from God, not from the government. Only what the government creates can become public
45 property. An example is corporations, which are a public franchise that makes officers of the corporation into public
46 officers.

- 47 5. The process of taxation is the process of converting “private property” into a “public use” and a “public purpose”. Below
48 are definitions of these terms for your enlightenment.

49 **Public use.** Eminent domain. The constitutional and statutory basis for taking property by eminent domain. For
50 condemnation purposes, “public use” is one which confers some benefit or advantage to the public; it is not

1 confined to actual use by public. It is measured in terms of right of public to use proposed facilities for which
2 condemnation is sought and, as long as public has right of use, whether exercised by one or many members of
3 public, a "public advantage" or "public benefit" accrues sufficient to constitute a public use. *Montana Power*
4 *Co. v. Bokma, Mont.*, 457 P.2d. 769, 772, 773.

5 Public use, in constitutional provisions restricting the exercise of the right to take property in virtue of eminent
6 domain, means a use concerning the whole community distinguished from particular individuals. But each and
7 every member of society need not be equally interested in such use, or be personally and directly affected by it;
8 if the object is to satisfy a great public want or exigency, that is sufficient. *Ringe Co. v. Los Angeles County*, 262
9 U.S. 700, 43 S.Ct. 689, 692, 67 L.Ed. 1186. The term may be said to mean public usefulness, utility, or advantage,
10 or what is productive of general benefit. It may be limited to the inhabitants of a small or restricted locality, but
11 must be in common, and not for a particular individual. The use must be a needful one for the public, which
12 cannot be surrendered without obvious general loss and inconvenience. A "public use" for which land may be
13 taken defies absolute definition for it changes with varying conditions of society, new appliances in the sciences,
14 changing conceptions of scope and functions of government, and other differing circumstances brought about by
15 an increase in population and new modes of communication and transportation. *Katz v. Brandon*, 156 Conn.
16 521, 245 A.2d. 579, 586.

17 See also *Condemnation; Eminent domain*.
18 [*Black's Law Dictionary, Sixth Edition, p. 1232*]

19
20 "**Public purpose.** In the law of taxation, eminent domain, etc., this is a term of classification to distinguish the
21 objects for which, according to settled usage, the government is to provide, from those which, by the like usage,
22 are left to private interest, inclination, or liberality. **The constitutional requirement that the purpose of any tax,**
23 **police regulation, or particular exertion of the power of eminent domain shall be the convenience, safety, or**
24 **welfare of the entire community and not the welfare of a specific individual or class of persons [such as, for**
25 **instance, federal benefit recipients as individuals].** "Public purpose" that will justify expenditure of public
26 money generally means such an activity as will serve as benefit to community as a body and which at same time
27 is directly related function of government. *Pack v. Southwestern Bell Tel. & Tel. Co.*, 215 Tenn. 503, 387 S.W.2d.
28 789, 794 .

29 The term is synonymous with governmental purpose. As employed to denote the objects for which taxes may be
30 levied, it has no relation to the urgency of the public need or to the extent of the public benefit which is to follow;
31 **the essential requisite being that a public service or use shall affect the inhabitants as a community, and not**
32 **merely as individuals.** A public purpose or public business has for its objective the promotion of the public
33 health, safety, morals, general welfare, security, prosperity, and contentment of all the inhabitants or residents
34 within a given political division, as, for example, a state, the sovereign powers of which are exercised to promote
35 such public purpose or public business."
36 [*Black's Law Dictionary, Sixth Edition, p. 1231, Emphasis added*]

- 37 6. The federal government has no power of eminent domain within states of the Union. This means that they cannot
38 lawfully convert private property to a public use or a public purpose within the exclusive jurisdiction of states of the
39 Union:

40 **"The United States have no constitutional capacity to exercise municipal jurisdiction, sovereignty, or eminent**
41 **domain, within the limits of a State or elsewhere, except in cases where it is delegated, and the court**
42 **denies the faculty of the Federal Government to add to its powers by treaty**
43 **or compact."**
44 [*Dred Scott v. Sandford*, 60 U.S. 393, 508-509 (1856)]

- 45 7. The Fifth Amendment prohibits converting private property to a public use or a public purpose without just compensation
46 if the owner does not consent, and this prohibition applies to the Federal government as well as states of the Union. It
47 was made applicable to states of the Union by the Fourteenth Amendment in 1868.

48 *Fifth Amendment - Rights of Persons*

49 **No person shall** be held to answer for a capital, or otherwise infamous crime, unless on a presentment or
50 indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the Militia, when in actual
51 service in time of War or public danger; nor shall any person be subject for the same offence to be twice put in
52 jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor **be**
53 **deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public**
54 **use, without just compensation.**
55 [*United States Constitution, Fifth Amendment*]

1 If the conversion of private property to public property is done without the express consent of the party affected by the
2 conversion and without compensation, then the following violations have occurred:

3 7.1. Violation of the Fifth Amendment “takings clause” above.

4 7.2. “Conversion” in violation of 18 U.S.C. §654.

5 7.3. Theft.

- 6 8. Because taxation involves converting private property to a public use, public purpose, and public office, then it involves
7 eminent domain if the owner of the property did not expressly consent to the taking:

8 ***Eminent domain.** The power to take private property for public use by the state, municipalities, and private
9 persons or corporations authorized to exercise functions of public character. Housing Authority of Cherokee
10 National of Oklahoma v. Langley, Okl., 555 P.2d. 1025, 1028. Fifth Amendment, U.S. Constitution.*

11 *In the United States, the power of eminent domain is founded in both the federal (Fifth Amend.) and state
12 constitutions. However, the Constitution limits the power to taking for a public purpose and prohibits the
13 exercise of the power of eminent domain without just compensation to the owners of the property which is
14 taken. The process of exercising the power of eminent domain is commonly referred to as “condemnation”
15 or, “expropriation”.*

16 *The right of eminent domain is the right of the state, through its regular organization, to reassert, either
17 temporarily or permanently, its dominion over any portion of the soil of the state on account of public exigency
18 and for the public good. Thus, in time of war or insurrection, the proper authorities may possess and hold any
19 part of the territory of the state for the common safety; and in time of peace the legislature may authorize the
20 appropriation of the same to public purposes, such as the opening of roads, construction of defenses, or providing
21 channels for trade or travel. Eminent domain is the highest and most exact idea of property remaining in the
22 government, or in the aggregate body of the people in their sovereign capacity. It gives a right to resume the
23 possession of the property in the manner directed by the constitution and the laws of the state, whenever the public
24 interest requires it.*

25 *See also Adequate compensation; Condemnation; Constructive taking; Damages; Expropriation; Fair market
26 value; Just compensation; Larger parcel; Public use; Take.
27 [Black’s Law Dictionary, Fifth Edition, p. 470]*

- 28 9. The Fifth Amendment requires that any taking of private property without the consent of the owner must involve
29 compensation. The Constitution must be consistent with itself. The taxation clauses found in Article 1, Section 8,
30 Clauses 1 and 3 cannot conflict with the Fifth Amendment. The Fifth Amendment contains no exception to the
31 requirement for just compensation upon conversion of private property to a public use, even in the case of taxation. This
32 is why all taxes must be indirect excise taxes against people who provide their consent by applying for a license to engage
33 in the taxed activity: The application for the license constitutes constructive consent to donate the fruits of the activity
34 to a public use, public purpose, and public office.

- 35 10. There is only ONE condition in which the conversion of private property to public property does NOT require
36 compensation, which is when the owner donates the private property to a public use, public purpose, or public office.
37 To wit:

38 *“Men are endowed by their Creator with certain unalienable rights, -life, liberty, and the pursuit of happiness;’
39 and to ‘secure,’ not grant or create, these rights, governments are instituted. That property [or income] which a
40 man has honestly acquired he retains full control of, subject to these limitations: First, that he shall not use it
41 to his neighbor’s injury, and that does not mean that he must use it for his neighbor’s benefit [e.g. SOCIAL
42 SECURITY, Medicare, and every other public “benefit”]; second, that if he devotes it to a public use, he gives
43 to the public a right to control that use; and third, that whenever the public needs require, the public may take
44 it upon payment of due compensation.”
45 [Budd v. People of State of New York, 143 U.S. 517 (1892)]*

46 The above rules are summarized below:
47

Table 4: Rules for converting private property to a public use or a public office

#	Description	Requires consent of owner to be taken from owner?
1	The owner of property justly acquired enjoys full and exclusive use and control over the property. This right includes <u>the right to exclude government uses</u> or ownership of said property.	Yes
2	He may not use the property to injure the equal rights of his neighbor. For instance, when you murder someone, the government can take your liberty and labor from you by putting you in jail or your life from you by instituting the death penalty against you. Both your life and your labor are “property”. Therefore, the basis for the “taking” was violation of the equal rights of a fellow sovereign “neighbor”.	No
3	He cannot be compelled or required to use it to “benefit” his neighbor. That means he cannot be compelled to donate the property to any franchise that would “benefit” his neighbor such as Social Security, Medicare, etc.	Yes
4	If he donates it to a public use, he gives the public the right to control that use.	Yes
5	Whenever the public needs require, the public may take it without his consent upon payment of due compensation. E.g. “eminent domain”.	No

11. The following two methods are the ONLY methods involving consent of the owner that may be LAWFULLY employed to convert PRIVATE property into PUBLIC property. Anything else is unlawful and THEFT:

11.1. **DIRECT CONVERSION:** Owner donates the property by conveying title or possession to the government.¹³

11.2. **INDIRECT CONVERSION:** Owner assumes a PUBLIC status as a PUBLIC officer in the HOLDING of title to the property.¹⁴ All such statuses and the rights that attach to it are creations and property of the government, the use of which is a privilege. The status and all PUBLIC RIGHTS that attach to it conveys a “benefit” for which the status user must pay an excise tax. The tax acts as a rental or use fee for the status, which is government property.

12. You and ONLY you can authorize your private property to be donated to a public use, public purpose, and public office. No third party can lawfully convert or donate your private property to a public use, public purpose, or public office without your knowledge and express consent. If they do, they are guilty of theft and conversion, and especially if they are acting in a quasi-governmental capacity as a “withholding agent” as defined in 26 U.S.C. §7701(a)(16).

12.1. A withholding agent cannot file an information return connecting your earnings to a “trade or business” without you actually occupying a “public office” in the government BEFORE you filled out any tax form.

12.2. A withholding agent cannot file IRS Form W-2 against your earnings if you didn’t sign an IRS Form W-4 contract and thereby consent to donate your private property to a public office in the U.S. government and therefore a “public use”.

12.3. That donation process is accomplished by your own voluntary self-assessment and ONLY by that method. Before such a self-assessment, you are a “nontaxpayer” and a private person. After the assessment, you become a “taxpayer” and a public officer in the government engaged in the “trade or business” franchise.

12.4. In order to have an income tax liability, you must complete, sign, and “file” an income tax return and thereby assess yourself:

*“Our system of taxation is based upon voluntary assessment and payment, not distraint.”
[Flora v. U.S., 362 U.S. 145 (1960)]*

By assessing yourself, you implicitly give your consent to allow the public the right to control that use of the formerly PRIVATE property donated to a public use.

¹³ An example of direct conversion would be the process of “registering” a vehicle with the Department of Motor Vehicles in your state. The act of registration constitutes consent by original ABSOLUTE owner to change the ownership of the property from ABSOLUTE to QUALIFIED and to convey legal title to the state and qualified title to himself.

¹⁴ An example of a PUBLIC status is statutory “taxpayer” (public office called “trade or business”), statutory “citizen”, statutory “driver” (vehicle), statutory voter (registered voters are public officers).

1 A THEFT of property has occurred on behalf of the government if it attempts to do any of the following:

- 2 1. Circumvents any of the above rules.
- 3 2. Blurs, confuses, or obfuscates the distinction between PRIVATE property and PUBLIC property.
- 4 3. Refuses to identify EXACTLY which of the mechanisms identified in item 10 above was employed in EACH specific
- 5 case where it:
 - 6 3.1. Asserts a right to regulate the use of private property.
 - 7 3.2. Asserts a right to convert the character of property from PRIVATE to PUBLIC.
 - 8 3.3. Asserts a right to TAX what you THOUGHT was PRIVATE property.

9 The next time someone from the government asserts a tax obligation, you might want to ask them the following very insightful
10 questions based on the content of this section:

- 11 1. Please describe at EXACTLY what point in the taxation process my earnings were LAWFULLY converted from
12 EXCLUSIVELY PRIVATE to PUBLIC and thereby became SUBJECT to civil statutory law and government
13 jurisdiction. Check one or more. If none are checked, it shall CONCLUSIVELY be PRESUMED that no tax is owed:
 - 14 1.1. ____ There is no private property. EVERYTHING belongs to us and we just “RENT” it to you through taxes.
15 Hence, we are NOT a “government” because there is not private property to protect. Everything is PUBLIC
16 property by default.
 - 17 1.2. ____ When I was born?
 - 18 1.3. ____ When I became a CONSTITUTIONAL citizen?
 - 19 1.4. ____ When I changed my domicile to a CONSTITUTIONAL and not STATUTORY “State”.
 - 20 1.5. ____ When I indicated “U.S. citizen” or “U.S. resident” on a government form, and the agent accepting it
21 FALSELY PRESUMED that meant I was a STATUTORY “national and citizen of the United States” per 8
22 U.S.C. §1401 rather than a CONSTITUTIONAL “citizen of the United States”.
 - 23 1.6. ____ When I disclosed and used a Social Security Number or Taxpayer Identification Number to my otherwise
24 PRIVATE employer?
 - 25 1.7. ____ When I submitted my withholding documents, such as IRS Forms W-4 or W-8?
 - 26 1.8. ____ When the information return was filed against my otherwise PRIVATE earnings that connected my
27 otherwise PRIVATE earnings to a PUBLIC office in the national government?
 - 28 1.9. ____ When I FAILED to rebut the false information return connecting my otherwise PRIVATE earnings to a
29 PUBLIC office in the national government?
 - 30 1.10. ____ When I filed a “taxpayer” form, such as IRS Forms 1040 or 1040NR?
 - 31 1.11. ____ When the IRS or state did an assessment under the authority of 26 U.S.C. §6020(b).
 - 32 1.12. ____ When I failed to rebut a collection notice from the IRS?
 - 33 1.13. ____ When the IRS levied monies from my EXCLUSIVELY private account, which must be held by a PUBLIC
34 OFFICER per 26 U.S.C. §6331(a) before it can lawfully be levied?
 - 35 1.14. ____ When the government decided they wanted to STEAL my money and simply TOOK it, and were protected
36 from the THEFT by a complicit United States Department of Justice, who split the proceeds with them?
 - 37 1.15. ____ When I demonstrated legal ignorance of the law to the government sufficient to overlook or not recognize
38 that it is impossible to convert PRIVATE to PUBLIC without my consent, as the Declaration of Independence
39 requires.
- 40 2. How can the conversion from PRIVATE to PUBLIC occur without my consent and without violating the Fifth
41 Amendment Takings Clause?
- 42 3. If you won’t answer the previous questions, how the HELL am I supposed to receive constitutionally mandated
43 “reasonable notice” of the following:
 - 44 3.1. EXACTLY what property I exclusively own and therefore what property is NOT subject to government taxation
45 or regulation?
 - 46 3.2. EXACTLY what conduct is expected of me by the law?
- 47 4. EXACTLY where in your publications is the first question answered and why should I believe it if even you refuse to
48 take responsibility for the accuracy of said publications?
- 49 5. EXACTLY where in the statutes and regulations is the first question answered?
- 50 6. How can you refuse to answer the above questions if your own mission statement says you are required to help people
51 obey the law and comply with the law?

3.10 Unlawful methods abused by government to convert PRIVATE property to PUBLIC property

There are a LOT more ways to UNLAWFULLY convert PRIVATE property to PUBLIC property than there are ways to do it lawfully. This section will address the most prevalent methods abused by state actors so that you will immediately recognize them when you are victimized by them. For the purposes of this section CONTROL and OWNERSHIP are synonymous. Hence, if the TITLE of the property remains in your name but there is any aspect of control over the USE of said property that does not demonstrably injure others, then the property ceases to be absolutely owned and therefore is owned by the government.

Based on the previous section, there is ONLY one condition in which PRIVATE property can be converted to PUBLIC property without the consent of the owner, which is when it is used to INJURE the rights of others. Any other type of conversion is THEFT. The U.S. Supreme Court describes that process of illegally CONVERTING property from PRIVATE to PUBLIC as follows. Notice that they only reference the “citizen” as being the object of regulation, which implies that those who are “nonresidents”, “transient foreigners”, and “non-citizen nationals” are beyond the control of those governments in whose territory they have not chosen a civil domicile:

“The doctrine that each one must so use his own as not to injure his neighbor — sic utere tuo ut alienum non lædas — is the rule by which every member of society must possess and enjoy his property; and all legislation essential to secure this common and equal enjoyment is a legitimate exercise of State authority. Except in cases where property may be destroyed to arrest a conflagration or the ravages of pestilence, or be taken under the pressure of an immediate and overwhelming necessity to prevent a public calamity, the power of the State over the property of the citizen [NOT EVERYONE, but only those consent to become citizens by choosing a domicile] does not extend beyond such limits.”
[Munn v. Illinois, 94 U.S. 113 (1876)]

Below is a list of the more prevalent means abused by corrupt and covetous governments to illegally convert PRIVATE property to PUBLIC PROPERTY without the express consent of the owner. Many of these techniques are unrecognizable to the average American and therefore surreptitious, which is why they continue to be abused so regularly and chronically by public dis-servants:

1. Deceptively label statutory PRIVILEGES as RIGHTS.
2. Confuse STATUTORY citizenship with CONSTITUTIONAL citizenship.
3. Refuse to admit that the court you are litigating in is a FRANCHISE court that has no jurisdiction over non-franchisees or people who do not consent to the franchise.
4. Abuse the words “includes” and “including” to add anything they want to the definition of “person” or “individual” within the franchise. All such “persons” are public officers and not private human beings. See:

Legal Deception, Propaganda, and Fraud, Form #05.014
<http://sedm.org/Forms/FormIndex.htm>

5. Refuse to impose the burden of proof upon the government to show that you EXPRESSLY CONSENTED to convert PRIVATE property into PUBLIC property BEFORE they can claim jurisdiction over it.
6. Silently PRESUME that the property in question is PUBLIC property connected with the “trade or business” (public office per 26 U.S.C. §7701(a)(26)) franchise and force you to prove that it ISN’T by CHALLENGING false information returns filed against it, such as IRS Forms W-2, 1098, 1099, and K-1. See:

Correcting Erroneous Information Returns, Form #04.001
<http://sedm.org/Forms/FormIndex.htm>

7. Presume that the STATUTORY and CONSTITUTIONAL contexts for geographical words are the same. They are NOT, and in fact are mutually exclusive.
8. Presume that because you submitted an application for a franchise, that you:
 - 8.1. CONSENTED to the franchise and were not under duress.
 - 8.2. Were requesting a “benefit” and therefore agreed to the obligations associated with the “benefit”.

CALIFORNIA CIVIL CODE
DIVISION 3. OBLIGATIONS
PART 2. CONTRACTS
CHAPTER 3. CONSENT
[Section 1589](#)

1589. A voluntary acceptance of the benefit of a transaction is equivalent to a consent to all the obligations arising from it, so far as the facts are known, or ought to be known, to the person accepting.

8.3. Agree to accept the obligations associated with the status described on the application, such as “taxpayer”, “driver”, “spouse”.

If you want to prevent the above, reserve all your rights on the application, indicate duress, and define all terms on the form as NOT connected with any government or statutory law.

9. PRESUME that the OWNER has a civil statutory status that he or she did not consent to, such as:
 - 9.1. “spouse” under the family code of your state, which is a franchise.
 - 9.2. “driver” under the vehicle code of your state, which is a franchise.
 - 9.3. “taxpayer” under the tax code of your state, which is a franchise.
10. PRESUME in the case of physical PROPERTY that is was situated on federal territory to which the general and exclusive jurisdiction of the national government applies, even though it is not. This is primarily done by playing word games with geographical “words of art” such as “State” and “United States”.
11. Refuse to satisfy the burden of proving that the owner of the property expressly consented in a manner that he/she prescribed to change the status of either himself or the property over which they claim a public interest.
12. Judges will interfere with attempts to introduce evidence in the proceeding that challenges any of the above presumptions.
13. Unlawfully compel the use of Social Security Numbers or Taxpayer Identification Numbers in violation of 42 U.S.C. §408(a)(8) in connection with specific property as a precondition of rendering a usually essential service. It will be illegally compelled because:
 - 13.1. The party against whom it was compelled was not a statutory “Taxpayer” or “person” or “individual” or to whom a duty to furnish said number lawfully applies.
 - 13.2. The property was not located on territory subject to the territorial jurisdiction of that national government.
14. Use one franchise as a way to recruit franchisees under OTHER franchises that are completely unrelated. For instance, they will enact a vehicle code statute that allows for confiscation of REGISTERED vehicles only that are being operated by UNLICENSED drivers. That way, everyone who wants to protect their vehicle also indirectly has to ALSO become a statutory “driver” using the public road ways for commercial activity and thus subject to regulation by the state, even though they in fact ARE NOT intending to do so.
15. Issue a license and then refuse to recognize the authority and ability in court of those possessing said license to act in an EXCLUSIVELY PRIVATE capacity. For instance:
 - 15.1. They may have a contractor’s license but they are NOT allowed to operate as OTHER than a licensed contractor...OR are NOT allowed to operate in an exclusively PRIVATE capacity.
 - 15.2. They may have a vehicle registration but are NOT allowed to remove it or NOT use it during times when they are NOT using the public roadways for hire, which is most of the time. In other words, the vehicle is the equivalent to “off duty” at some times. They allow police officers, who are PUBLIC officers, to be off duty, but not anyone who DOESN’T work for the government.
16. Issue or demand GOVERNMENT ID and then presume that the applicant is a statutory “resident” for ALL purposes, rather than JUST the specific reason the ID was issued. Since a “resident” is a public officer, in effect they are PRESUMING that you are a public officer 24 hours a day, 7 days a week, and that you HAVE to assume this capacity without pay or “benefit” and without the ability to quit. See:

Why Domicile and Becoming a “Taxpayer” Require Your Consent, Form #05.002, Section 13.6
<http://sedm.org/Forms/FormIndex.htm>

What all of the above government abuses have in common is that they do one or more of the following:

1. Involve PRESUMPTIONS which violate due process of law and are therefore UNCONSTITUTIONAL. See:

Presumption: Chief Weapon for Unlawfully Enlarging Federal Jurisdiction, Form #05.017
<http://sedm.org/Forms/FormIndex.htm>
2. Refuse to RECOGNIZE the existence of PRIVATE property or PRIVATE rights.
3. Violate the very purpose of establishing government to begin with, which is to PROTECT PRIVATE property by LEAVING IT ALONE and not regulating or benefitting from its use or abuse until AFTER it has been used to injure the equal rights of anyone OTHER than the original owner.
4. Violate the Unconstitutional Conditions Doctrine of the U.S. Supreme Court. See Form #05.030, Section 27.2.
5. Needlessly interfere with the ownership or control of otherwise PRIVATE property.
6. Often act upon property BEFORE it is used to institute an injury, instead of AFTER. Whenever the law acts to PREVENT future harm rather than CORRECT past harm, it requires the consent of the owner. The common law itself only provides remedies for PAST harm and cannot act on future conduct, except in the case of injunctions where PAST harm is already demonstrated.
7. Institute involuntary servitude against the owner in violation of the Thirteenth Amendment.

- 1 8. Represent an eminent domain over PRIVATE property in violation of the state constitution in most states.
- 2 9. Violate the takings clauses of the Fifth Amendment to the United States Constitution.
- 3 10. Violate the maxim of law that the government has a duty to protect your right to NOT receive a “benefit” and NOT pay
- 4 for “benefits” that you don’t want or don’t need.

5 *Invito beneficium non datur.*

6 *No one is obliged to accept a benefit against his consent. Dig. 50, 17, 69. But if he does not dissent he will be*

7 *considered as assenting. Vide Assent.*

8 *Quilibet potest renunciare juri pro se inducto.*

9 *Any one may renounce a law introduced for his own benefit. To this rule there are some exceptions. See 1 Bouv.*

10 *Inst. n. 83.*

11 *[Bouvier’s Maxims of Law, 1856,*

12 *SOURCE: <http://famguardian.org/Publications/BouvierMaximsOfLaw/BouviersMaxims.htm>]*

13 It ought to be obvious to the reader that the basis for Socialism is public ownership of ALL property.

14 *“socialism n (1839) 1: any of various economic and political theories **advocating collective or governmental***

15 ***ownership and administration of the means of production and distribution of goods 2 a: a system of society or***

16 ***group living in which there is no private property b: a system or condition of society in which the means of***

17 *production are owned and controlled by the state 3: a stage of society in Marxist theory transitional between*

18 *capitalism and communism and distinguished by unequal distribution of goods and pay according to work done.”*

19 *[Webster’s Ninth New Collegiate Dictionary, 1983, ISBN 0-87779-510-X, p. 1118]*

20 Any system of law that recognizes no absolute and inviolable constitutional boundary between PRIVATE property and

21 PUBLIC property, or which regards ALL property as being subject to government taxation and/or regulation is a socialist or

22 collectivist system. That socialist system is exhaustively described in the following:

Socialism: The New American Civil Religion, Form #05.016

<http://sedm.org/Forms/FormIndex.htm>

23 Below is how the U.S. Supreme Court characterizes efforts to violate the rules for converting PRIVATE property into

24 PUBLIC property listed above and thereby STEAL PRIVATE property. The text below the following line up to the end of

25 the section comes from the case indicated:

26 _____

27 Munn v. Illinois, 94 U.S. 113 (1876)

28 The question presented, therefore, is one of the greatest importance, — whether it is within the competency of a State to fix

29 the compensation which an individual may receive for the use of his own property in his private business, and for his services

30 in connection with it.

31 [. . .]

32 139*139 The validity of the legislation was, among other grounds, assailed in the State court as being in conflict with that

33 provision of the State Constitution which declares that no person shall be deprived of life, liberty, or property without due

34 process of law, and with that provision of the Fourteenth Amendment of the Federal Constitution which imposes a similar

35 restriction upon the action of the State. The State court held, in substance, that the constitutional provision was not violated

36 so long as the owner was not deprived of the title and possession of his property; and that it did not deny to the legislature the

37 power to make all needful rules and regulations respecting the use and enjoyment of the property, referring, in support of the

38 position, to instances of its action in prescribing the interest on money, in establishing and regulating public ferries and public

39 mills, and fixing the compensation in the shape of tolls, and in delegating power to municipal bodies to regulate the charges

40 of hackmen and draymen, and the weight and price of bread. In this court the legislation was also assailed on the same ground,

41 our jurisdiction arising upon the clause of the Fourteenth Amendment, ordaining that no State shall deprive any person of

42 life, liberty, or property without due process of law. But it would seem from its opinion that the court holds that property

43 loses something of its private character when employed in such a way as to be generally useful. The doctrine declared is that

44 property "becomes clothed with a public interest when used in a manner to make it of public consequence, and affect the

45 community at large;" and from such clothing the right of the legislature is deduced to control the use of the property, and to

1 determine the compensation which the owner may receive for it. When Sir Matthew Hale, and the sages of the law in his
2 day, spoke of property as affected by a public interest, and ceasing from that cause to be juris privati solely, that is,
3 ceasing to be held merely in private right, they referred to property dedicated by the owner to public uses, or to
4 property the use of which was granted by the government, or in connection with which special privileges were
5 conferred. Unless the property was thus dedicated, or some right bestowed by the government was held with the
6 property, either by specific grant or by prescription of so long a time as 140*140 to imply a grant originally, the
7 property was not affected by any public interest so as to be taken out of the category of property held in private right.
8 But it is not in any such sense that the terms "clothing property with a public interest" are used in this case. From the nature
9 of the business under consideration — the storage of grain — which, in any sense in which the words can be used, is a private
10 business, in which the public are interested only as they are interested in the storage of other products of the soil, or in articles
11 of manufacture, it is clear that the court intended to declare that, whenever one devotes his property to a business which is
12 useful to the public, — "affects the community at large," — the legislature can regulate the compensation which the owner
13 may receive for its use, and for his own services in connection with it. "When, therefore," says the court, "one devotes his
14 property to a use in which the public has an interest, he, in effect, grants to the public an interest in that use, and must submit
15 to be controlled by the public for the common good, to the extent of the interest he has thus created. He may withdraw his
16 grant by discontinuing the use; but, so long as he maintains the use, he must submit to the control." The building used by the
17 defendants was for the storage of grain: in such storage, says the court, the public has an interest; therefore the defendants,
18 by devoting the building to that storage, have granted the public an interest in that use, and must submit to have their
19 compensation regulated by the legislature.

20 If this be sound law, if there be no protection, either in the principles upon which our republican government is
21 founded, or in the prohibitions of the Constitution against such invasion of private rights, all property and all business
22 in the State are held at the mercy of a majority of its legislature. The public has no greater interest in the use of buildings
23 for the storage of grain than it has in the use of buildings for the residences of families, nor, indeed, anything like so great an
24 interest; and, according to the doctrine announced, the legislature may fix the rent of all tenements used for residences, without
25 reference to the cost of their erection. If the owner does not like the rates prescribed, he may cease renting his houses. He has
26 granted to the public, says the court, an interest in the use of the 141*141 buildings, and "he may withdraw his grant by
27 discontinuing the use; but, so long as he maintains the use, he must submit to the control." The public is interested in the
28 manufacture of cotton, woollen, and silken fabrics, in the construction of machinery, in the printing and publication of books
29 and periodicals, and in the making of utensils of every variety, useful and ornamental; indeed, there is hardly an enterprise
30 or business engaging the attention and labor of any considerable portion of the community, in which the public has
31 not an interest in the sense in which that term is used by the court in its opinion; and the doctrine which allows the
32 legislature to interfere with and regulate the charges which the owners of property thus employed shall make for its
33 use, that is, the rates at which all these different kinds of business shall be carried on, has never before been asserted,
34 so far as I am aware, by any judicial tribunal in the United States.

35 The doctrine of the State court, that no one is deprived of his property, within the meaning of the constitutional
36 inhibition, so long as he retains its title and possession, and the doctrine of this court, that, whenever one's property
37 is used in such a manner as to affect the community at large, it becomes by that fact clothed with a public interest,
38 and ceases to be juris privati only, appear to me to destroy, for all useful purposes, the efficacy of the constitutional
39 guaranty. All that is beneficial in property arises from its use, and the fruits of that use; and whatever deprives a
40 person of them deprives him of all that is desirable or valuable in the title and possession. If the constitutional guaranty
41 extends no further than to prevent a deprivation of title and possession, and allows a deprivation of use, and the fruits
42 of that use, it does not merit the encomiums it has received. Unless I have misread the history of the provision now
43 incorporated into all our State constitutions, and by the Fifth and Fourteenth Amendments into our Federal Constitution, and
44 have misunderstood the interpretation it has received, it is not thus limited in its scope, and thus impotent for good. It has a
45 much more extended operation than either court, State, or Federal has given to it. The provision, it is to be observed,
46 places property under the same protection as life and liberty. Except by due process of law, no State can 142*142
47 deprive any person of either. The provision has been supposed to secure to every individual the essential conditions
48 for the pursuit of happiness; and for that reason has not been heretofore, and should never be, construed in any
49 narrow or restricted sense.

50 No State "shall deprive any person of life, liberty, or property without due process of law," says the Fourteenth Amendment
51 to the Constitution. By the term "life," as here used, something more is meant than mere animal existence. The inhibition
52 against its deprivation extends to all those limbs and faculties by which life is enjoyed. The provision equally prohibits the
53 mutilation of the body by the amputation of an arm or leg, or the putting out of an eye, or the destruction of any other organ
54 of the body through which the soul communicates with the outer world. The deprivation not only of life, but of whatever God

1 has given to everyone with life, for its growth and enjoyment, is prohibited by the provision in question, if its efficacy be not
2 frittered away by judicial decision.

3 By the term "liberty," as used in the provision, something more is meant than mere freedom from physical restraint or the
4 bounds of a prison. It means freedom to go where one may choose, and to act in such manner, not inconsistent with the equal
5 rights of others, as his judgment may dictate for the promotion of his happiness; that is, to pursue such callings and avocations
6 as may be most suitable to develop his capacities, and give to them their highest enjoyment.

7 **The same liberal construction which is required for the protection of life and liberty, in all particulars in which life**
8 **and liberty are of any value, should be applied to the protection of private property. If the legislature of a State, under**
9 **pretence of providing for the public good, or for any other reason, can determine, against the consent of the owner,**
10 **the uses to which private property shall be devoted, or the prices which the owner shall receive for its uses, it can**
11 **deprive him of the property as completely as by a special act for its confiscation or destruction. If, for instance, the**
12 **owner is prohibited from using his building for the purposes for which it was designed, it is of little consequence that**
13 **he is permitted to retain the 143*143 title and possession; or, if he is compelled to take as compensation for its use less**
14 **than the expenses to which he is subjected by its ownership, he is, for all practical purposes, deprived of the property,**
15 **as effectually as if the legislature had ordered his forcible dispossession. If it be admitted that the legislature has any**
16 **control over the compensation, the extent of that compensation becomes a mere matter of legislative discretion. The**
17 **amount fixed will operate as a partial destruction of the value of the property, if it fall below the amount which the**
18 **owner would obtain by contract, and, practically, as a complete destruction, if it be less than the cost of retaining its**
19 **possession. There is, indeed, no protection of any value under the constitutional provision, which does not extend to**
20 **the use and income of the property, as well as to its title and possession.**

21 This court has heretofore held in many instances that a constitutional provision intended for the protection of rights of private
22 property should be liberally construed. It has so held in the numerous cases where it has been called upon to give effect to
23 the provision prohibiting the States from legislation impairing the obligation of contracts; the provision being construed to
24 secure from direct attack not only the contract itself, but all the essential incidents which give it value and enable its owner
25 to enforce it. Thus, in *Bronson v. Kinzie*, reported in the 1st of Howard, it was held that an act of the legislature of Illinois,
26 giving to a mortgagor twelve months within which to redeem his mortgaged property from a judicial sale, and prohibiting its
27 sale for less than two-thirds of its appraised value, was void as applied to mortgages executed prior to its passage. It was
28 contended, in support of the act, that it affected only the remedy of the mortgagee, and did not impair the contract; but the
29 court replied that there was no substantial difference between a retrospective law declaring a particular contract to be
30 abrogated and void, and one which took away all remedy to enforce it, or encumbered the remedy with conditions that
31 rendered it useless or impracticable to pursue it. And, referring to the constitutional provision, the court said, speaking through
32 Mr. Chief Justice Taney, that

33 *"it would be unjust to the memory of the distinguished men who framed it, to suppose that it was designed to*
34 *protect a mere barren and 144*144 abstract right, without any practical operation upon the business of life. It*
35 *was undoubtedly adopted as a part of the Constitution for a great and useful purpose. It was to maintain the*
36 *integrity of contracts, and to secure their faithful execution throughout this Union, by placing them under the*
37 *protection of the Constitution of the United States. And it would but Ill. become this court, under any*
38 *circumstances, to depart from the plain meaning of the words used, and to sanction a distinction between the*
39 *right and the remedy, which would render this provision illusive and nugatory, mere words of form, affording no*
40 *protection and producing no practical result."*

41 And in *Pumpelly v. Green Bay Company*, 13 Wall. 177, the language of the court is equally emphatic. That case arose in
42 Wisconsin, the constitution of which declares, like the constitutions of nearly all the States, that private property shall not be
43 taken for public use without just compensation; and this court held that the flooding of one's land by a dam constructed across
44 a river under a law of the State was a taking within the prohibition, and required compensation to be made to the owner of
45 the land thus flooded. The court, speaking through Mr. Justice Miller, said: —

46 *"It would be a very curious and unsatisfactory result, if, in construing a provision of constitutional law, always*
47 *understood to have been adopted for protection and security to the rights of the individual as against the*
48 *government, and which has received the commendation of jurists, statesmen, and commentators, as placing the*
49 *just principles of the common law on that subject beyond the power of ordinary legislation to change or control*
50 *them, it shall be held that, if the government refrains from the absolute conversion of real property to the uses of*
51 *the public, it can destroy its value entirely, can inflict irreparable and permanent injury to any extent, can, in*
52 *effect, subject it to total destruction without making any compensation, because, in the narrowest sense of the*
53 *word, it is not taken for the public use. **Such a construction would pervert the constitutional provision into a***
54 ***restriction on the rights of the citizen, as those rights stood at the common law, instead of the government, and***

1 make it an authority for invasion of private right under the pretext of the public good, which had no warrant
2 in the laws or practices of our ancestors."

3 **The views expressed in these citations, applied to this case, would render the constitutional provision invoked by the**
4 **defendants effectual to protect them in the uses, income, and revenues of their property, as well as in its title and**
5 **possession. The construction actually given by the State court and by this court makes the provision, in the language**
6 **of Taney, a protection to "a mere barren and abstract right, without any practical operation upon the business of**
7 **life," and renders it "illusiv and nugatory, mere words of form, affording no protection and producing no practical**
8 **result."**

9 The power of the State over the property of the citizen under the constitutional guaranty is well defined. The State may take
10 his property for public uses, upon just compensation being made therefor. It may take a portion of his property by way of
11 taxation for the support of the government. It may control the use and possession of his property, so far as may be necessary
12 for the protection of the rights of others, and to secure to them the equal use and enjoyment of their property. **The doctrine**
13 **that each one must so use his own as not to injure his neighbor — sic utere tuo ut alienum non lædas — is the rule by**
14 **which every member of society must possess and enjoy his property; and all legislation essential to secure this common**
15 **and equal enjoyment is a legitimate exercise of State authority. Except in cases where property may be destroyed to**
16 **arrest a conflagration or the ravages of pestilence, or be taken under the pressure of an immediate and overwhelming**
17 **necessity to prevent a public calamity, the power of the State over the property of the citizen does not extend beyond**
18 **such limits.**

19 It is true that the legislation which secures to all protection in their rights, and the equal use and enjoyment of their property,
20 embraces an almost infinite variety of subjects. Whatever affects the peace, good order, morals, and health of the community,
21 comes within its scope; and every one must use and enjoy his property subject to the restrictions which such legislation
22 imposes. What is termed the police power of the State, which, from the language often used respecting it, one would suppose
23 to be an undefined and irresponsible element in government, can only interfere with the conduct of individuals in their
24 intercourse with each other, and in the use of their property, so far 146*146 as may be required to secure these objects. **The**
25 **compensation which the owners of property, not having any special rights or privileges from the government in**
26 **connection with it, may demand for its use, or for their own services in union with it, forms no element of consideration**
27 **in prescribing regulations for that purpose.** If one construct a building in a city, the State, or the municipality exercising a
28 delegated power from the State, may require its walls to be of sufficient thickness for the uses intended; it may forbid the
29 employment of inflammable materials in its construction, so as not to endanger the safety of his neighbors; if designed as a
30 theatre, church, or public hall, it may prescribe ample means of egress, so as to afford facility for escape in case of accident;
31 it may forbid the storage in it of powder, nitro-glycerine, or other explosive material; it may require its occupants daily to
32 remove decayed vegetable and animal matter, which would otherwise accumulate and engender disease; it may exclude from
33 it all occupations and business calculated to disturb the neighborhood or infect the air. Indeed, there is no end of regulations
34 with respect to the use of property which may not be legitimately prescribed, having for their object the peace, good order,
35 safety, and health of the community, thus securing to all the equal enjoyment of their property; but in establishing these
36 regulations it is evident that compensation to the owner for the use of his property, or for his services in union with it, is not
37 a matter of any importance: whether it be one sum or another does not affect the regulation, either in respect to its utility or
38 mode of enforcement. One may go, in like manner, through the whole round of regulations authorized by legislation, State
39 or municipal, under what is termed the police power, and in no instance will he find that the compensation of the owner for
40 the use of his property has any influence in establishing them. **It is only where some right or privilege is conferred by the**
41 **government or municipality upon the owner, which he can use in connection with his property, or by means of which**
42 **the use of his property is rendered more valuable to him, or he thereby enjoys an advantage over others, that the**
43 **compensation to be received by him becomes a legitimate matter of regulation. Submission to the regulation of**
44 **compensation in such cases is an implied condition 147*147 of the grant, and the State, in exercising its power of**
45 **prescribing the compensation, only determines the conditions upon which its concession shall be enjoyed. When the**
46 **privilege ends, the power of regulation ceases.**

47 Jurists and writers on public law find authority for the exercise of this police power of the State and the numerous regulations
48 which it prescribes in the doctrine already stated, that everyone must use and enjoy his property consistently with the rights
49 of others, and the equal use and enjoyment by them of their property. "The police power of the State," says the Supreme
50 Court of Vermont, "extends to the protection of the lives, limbs, health, comfort, and quiet of all persons, and the protection
51 of all property in the State. According to the maxim, sic utere tuo ut alienum non lædas, which, being of universal application,
52 it must, of course, be within the range of legislative action to define the mode and manner in which every one may so use his
53 own as not to injure others." Thorpe v. Rutland & Burlington Railroad Co., 27 Vt. 149. "We think it a settled principle
54 growing out of the nature of well-ordered civil society," says the Supreme Court of Massachusetts, "that every holder of

1 property, however absolute and unqualified may be his title, holds it under the implied liability that his use of it shall not be
2 injurious to the equal enjoyment of others having an equal right to the enjoyment of their property, nor injurious to the rights
3 of the community." Commonwealth v. Alger, 7 Cush. 84. In his Commentaries, after speaking of the protection afforded by
4 the Constitution to private property, Chancellor Kent says: —

5 *"But though property be thus protected, it is still to be understood that the law-giver has the right to prescribe*
6 *the mode and manner of using it, so far as may be necessary to prevent the abuse of the right, to the injury or*
7 *annoyance of others, or of the public. The government may, by general regulations, interdict such uses of property*
8 *as would create nuisances and become dangerous to the lives, or health, or peace, or comfort of the citizens.*
9 *Unwholesome trades, slaughter-houses, operations offensive to the senses, the deposit of powder, the application*
10 *of steam-power to propel cars, the building with combustible materials, and the burial of the dead, may all be*
11 *interdicted by law, in the-midst of dense masses of population, 148*148 on the general and rational principle*
12 *that every person ought so to use his property as not to injure his neighbors, and that private interests must be*
13 *made subservient to the general interests of the community. 2 Kent, 340.*

14 The Italics in these citations are mine. The citations show what I have already stated to be the case, that the regulations which
15 the State, in the exercise of its police power, authorizes with respect to the use of property are entirely independent of any
16 question of compensation for such use, or for the services of the owner in connection with it.

17 There is nothing in the character of the business of the defendants as warehousemen which called for the interference
18 complained of in this case. Their buildings are not nuisances; their occupation of receiving and storing grain infringes upon
19 no rights of others, disturbs no neighborhood, infects not the air, and in no respect prevents others from using and enjoying
20 their property as to them may seem best. **The legislation in question is nothing less than a bold assertion of absolute**
21 **power by the State to control at its discretion the property and business of the citizen, and fix the compensation he**
22 **shall receive. The will of the legislature is made the condition upon which the owner shall receive the fruits of his**
23 **property and the just reward of his labor, industry, and enterprise. "That government," says Story, "can scarcely be**
24 **deemed to be free where the rights of property are left solely dependent upon the will of a legislative body without any**
25 **restraint. The fundamental maxims of a free government seem to require that the rights of personal liberty and private**
26 **property should be held sacred." Wilkeson v. Leland, 2 Pet. 657. The decision of the court in this case gives**
27 **unrestrained license to legislative will.**

28 The several instances mentioned by counsel in the argument and by the court in its opinion, in which legislation has fixed the
29 compensation which parties may receive for the use of their property and services, do not militate against the views I have
30 expressed of the power of the State over the property of the citizen. They were mostly cases of public ferries, bridges, and
31 turnpikes, of wharfingers, hackmen, and draymen, and of interest on money. In all these cases, except that of interest on
32 money, which I shall presently notice there was some special 149*149 privilege granted by the State or municipality; and no
33 one, I suppose, has ever contended that the State had not a right to prescribe the conditions upon which such privilege should
34 be enjoyed. **The State in such cases exercises no greater right than an individual may exercise over the use of his own**
35 **property when leased or loaned to others. The conditions upon which the privilege shall be enjoyed being stated or**
36 **implied in the legislation authorizing its grant, no right is, of course, impaired by their enforcement. The recipient of**
37 **the privilege, in effect, stipulates to comply with the conditions. It matters not how limited the privilege conferred, its**
38 **acceptance implies an assent to the regulation of its use and the compensation for it.** The privilege which the hackman
39 and drayman have to the use of stands on the public streets, not allowed to the ordinary coachman or laborer with teams,
40 constitutes a sufficient warrant for the regulation of their fares. In the case of the warehousemen of Chicago, no right or
41 privilege is conferred by the government upon them; and hence no assent of theirs can be alleged to justify any interference
42 with their charges for the use of their property.

43 The quotations from the writings of Sir Matthew Hale, so far from supporting the positions of the court, do not recognize the
44 interference of the government, even to the extent which I have admitted to be legitimate. They state merely that the franchise
45 of a public ferry belongs to the king, and cannot be used by the subject except by license from him, or prescription time out
46 of mind; and that when the subject has a public wharf by license from the king, or from having dedicated his private wharf
47 to the public, as in the case of a street opened by him through his own land, he must allow the use of the wharf for reasonable
48 and moderate charges. Thus, in the first quotation which is taken from his treatise De Jure Maris, Hale says that the king has

49 *"a right of franchise or privilege, that no man may set up a common ferry for all passengers without a prescription*
50 *time out of mind or a charter from the king. He may make a ferry for his own use or the use of his family, but not*
51 *for the common use of all the king's subjects passing that way; because it doth in consequent tend to a common*
52 *charge, and is become a thing of public interest and use, and every man for his passage 150*150 pays a toll,*
53 *which is a common charge, and every ferry ought to be under a public regulation, viz., that it give attendance at*
54 *due times, keep a boat in due order, and take but reasonable toll; for if he fail in these he is finable."*

1 Of course, one who obtains a license from the king to establish a public ferry, at which "every man for his passage pays a
2 toll," must take it on condition that he charge only reasonable toll, and, indeed, subject to such regulations as the king may
3 prescribe.

4 In the second quotation, which is taken from his treatise De Portibus Maris, Hale says: —

5 *"A man, for his own private advantage, may, in a port or town, set up a wharf or crane, and may take what rates*
6 *he and his customers can agree for cranage, wharfage, housellage, pesage; for he doth no more than is lawful*
7 *for any man to do, viz., makes the most of his own. If the king or subject have a public wharf, unto which all*
8 *persons that come to that port must come and unlade or lade their goods as for the purpose, because they are the*
9 *wharves only licensed by the king, or because there is no other wharf in that port, as it may fall out where a port*
10 *is newly erected, in that case there cannot be taken arbitrary and excessive duties for cranage, wharfage, pesage,*
11 *&c.; neither can they be enhanced to an immoderate rate, but the duties must be reasonable and moderate, though*
12 *settled by the king's license or charter. For now the wharf and crane and other conveniences are affected with a*
13 *public interest, and they cease to be juris privati only; as if a man set out a street in new building on his own land,*
14 *it is now no longer bare private interest, but is affected by the public interest."*

15 The purport of which is, that if one have a public wharf, by license from the government or his own dedication, he must exact
16 only reasonable compensation for its use. By its dedication to public use, a wharf is as much brought under the common-law
17 rule of subjection to reasonable charges as it would be if originally established or licensed by the crown. All property
18 dedicated to public use by an individual owner, as in the case of land for a park or street, falls at once, by force of the
19 dedication, under the law governing property appropriated by the government for similar purposes.

20 I do not doubt the justice of the encomiums passed upon Sir 151*151 Matthew Hale as a learned jurist of his day; but I am
21 unable to perceive the pertinency of his observations upon public ferries and public wharves, found in his treatises on "The
22 Rights of the Sea" and on "The Ports of the Sea," to the questions presented by the warehousing law of Illinois, undertaking
23 to regulate the compensation received by the owners of private property, when that property is used for private purposes.

24 The principal authority cited in support of the ruling of the court is that of Alnutt v. Inglis, decided by the King's Bench, and
25 reported in 12 East. But that case, so far from sustaining the ruling, establishes, in my judgment, the doctrine that everyone
26 has a right to charge for his property, or for its use, whatever he pleases, unless he enjoys in connection with it some right or
27 privilege from the government not accorded to others; and even then it only decides what is above stated in the quotations
28 from Sir Matthew Hale, that he must submit, so long as he retains the right or privilege, to reasonable rates. In that case, the
29 London Dock Company, under certain acts of Parliament, possessed the exclusive right of receiving imported goods into
30 their warehouses before the duties were paid; and the question was whether the company was bound to receive them for a
31 reasonable reward, or whether it could arbitrarily fix its compensation. In deciding the case, the Chief Justice, Lord
32 Ellenborough, said: —

33 *"There is no doubt that the general principle is favored, both in law and justice, that every man may fix what*
34 *price he pleases upon his own property, or the use of it; but if, for a particular purpose, the public have a right*
35 *to resort to his premises and make use of them, and he have a monopoly in them for that purpose, if he will take*
36 *the benefit of that monopoly, he must, as an equivalent, perform the duty attached to it on reasonable terms."*

37 And, coming to the conclusion that the company's warehouses were invested with "the monopoly of a public privilege," he
38 held that by law the company must confine itself to take reasonable rates; and added, that if the crown should thereafter think
39 it advisable to extend the privilege more generally to other persons and places, so that the public would not be restrained from
40 exercising a choice of warehouses for the purpose, the company might be enfranchised from the restriction which 152*152
41 attached to a monopoly; but, so long as its warehouses were the only places which could be resorted to for that purpose, the
42 company was bound to let the trade have the use of them for a reasonable hire and reward. The other judges of the court
43 placed their concurrence in the decision upon the ground that the company possessed a legal monopoly of the business, having
44 the only warehouses where goods imported could be lawfully received without previous payment of the duties. From this
45 case it appears that it is only where some privilege in the bestowal of the government is enjoyed in connection with the
46 property, that it is affected with a public interest in any proper sense of the terms. It is the public privilege conferred with the
47 use of the property which creates the public interest in it.

48 In the case decided by the Supreme Court of Alabama, where a power granted to the city of Mobile to license bakers, and to
49 regulate the weight and price of bread, was sustained so far as regulating the weight of the bread was concerned, no question
50 was made as to the right to regulate the price. 3 Ala. 137. There is no doubt of the competency of the State to prescribe the
51 weight of a loaf of bread, as it may declare what weight shall constitute a pound or a ton. But I deny the power of any
52 legislature under our government to fix the price which one shall receive for his property of any kind. If the power can be

1 exercised as to one article, it may as to all articles, and the prices of everything, from a calico gown to a city mansion, may
2 be the subject of legislative direction.

3 **Other instances of a similar character may, no doubt, be cited of attempted legislative interference with the rights of**
4 **property.** The act of Congress of 1820, mentioned by the court, is one of them. There Congress undertook to confer upon
5 the city of Washington power to regulate the rates of wharfage at private wharves, and the fees for sweeping chimneys. Until
6 some authoritative adjudication is had upon these and similar provisions, I must adhere, notwithstanding the legislation, to
7 my opinion, that those who own property have the right to fix the compensation at which they will allow its use, and that
8 those who control services have a right to fix the compensation at which they will be rendered. The chimney-sweeps may, I
9 think, safely claim all the compensation which 153*153 they can obtain by bargain for their work. In the absence of any
10 contract for property or services, the law allows only a reasonable price or compensation; but what is a reasonable price in
11 any case will depend upon a variety of considerations, and is not a matter for legislative determination.

12 **The practice of regulating by legislation the interest receivable for the use of money, when considered with reference**
13 **to its origin, is only the assertion of a right of the government to control the extent to which a privilege granted by it**
14 **may be exercised and enjoyed. By the ancient common law it was unlawful to take any money for the use of money:**
15 **all who did so were called usurers, a term of great reproach, and were exposed to the censure of the church; and if,**
16 **after the death of a person, it was discovered that he had been a usurer whilst living, his chattels were forfeited to the**
17 **king, and his lands escheated to the lord of the fee. No action could be maintained on any promise to pay for the use**
18 **of money, because of the unlawfulness of the contract. Whilst the common law thus condemned all usury, Parliament**
19 **interfered, and made it lawful to take a limited amount of interest. It was not upon the theory that the legislature**
20 **could arbitrarily fix the compensation which one could receive for the use of property, which, by the general law, was**
21 **the subject of hire for compensation, that Parliament acted, but in order to confer a privilege which the common law**
22 **denied. The reasons which L.Ed. to this legislation originally have long since ceased to exist; and if the legislation is**
23 **still persisted in, it is because a long acquiescence in the exercise of a power, especially when it was rightfully assumed**
24 **in the first instance, is generally received as sufficient evidence of its continued lawfulness. 10 Bac. Abr. 264.]*]**

25 There were also recognized in England, by the ancient common law, certain privileges as belonging to the lord of the manor,
26 which grew out of the state of the country, the condition of the people, and the relation existing between him and 154*154
27 his tenants under the feudal system. Among these was the right of the lord to compel all the tenants within his manor to grind
28 their corn at his mill. No one, therefore, could set up a mill except by his license, or by the license of the crown, unless he
29 claimed the right by prescription, which presupposed a grant from the lord or crown, and, of course, with such license went
30 the right to regulate the tolls to be received. Woolrych on the Law of Waters, c. 6, of Mills. Hence originated the doctrine
31 which at one time obtained generally in this country, that there could be no mill to grind corn for the public, without a grant
32 or license from the public authorities. It is still, I believe, asserted in some States. This doctrine being recognized, all the rest
33 followed. The right to control the toll accompanied the right to control the establishment of the mill.

34 It requires no comment to point out the radical differences between the cases of public mills and interest on money, and that
35 of the warehouses in Chicago. No prerogative or privilege of the crown to establish warehouses was ever asserted at the
36 common law. **The business of a warehouseman was, at common law, a private business and is so in its nature. It has**
37 **no special privileges connected with it, nor did the law ever extend to it any greater protection than it extended to all**
38 **other private business. No reason can be assigned to justify legislation interfering with the legitimate profits of that**
39 **business, that would not equally justify an intermeddling with the business of every man in the community, so soon,**
40 **at least, as his business became generally useful.**

41 **4 Who is the “taxpayer” filing the “tax return”?**

42 Before we can even begin to discuss the subject of excludability of labor, we must start our discussion with a concise and
43 complete description of EXACTLY WHO is the “taxpayer” on all government forms. Most of those who improperly apply
44 the position described in this pamphlet begin with an erroneous view of who exactly the “taxpayer” is and that
45 misunderstanding is fatal to their position and causes them to lose in court when called to defend their beliefs.

46 Here are the facts as we understand them about who exactly the “taxpayer” is who files the tax return:

- 47 1. The “taxpayer” is:
 - 48 1.1. A public office in the U.S. government. See:

[Why Your Government is Either a Thief or You are a "Public Officer" for Income Tax Purposes](http://sedm.org/Forms/FormIndex.htm), Form #05.008
<http://sedm.org/Forms/FormIndex.htm>

- 1.2. A federal business trust wholly owned by the United States government. That trust is the Social Security charitable trust. See:

[Resignation of Compelled Social Security Trustee](http://sedm.org/Forms/FormIndex.htm), Form #06.002
<http://sedm.org/Forms/FormIndex.htm>

- 1.3. A statutory but not Constitutional "U.S. citizen" per 8 U.S.C. 1401. The United States government is a federal corporation, and therefore a statutory but not Constitutional "U.S. citizen". Because the business trust is owned and controlled by Uncle, then it TOO is also a statutory but not Constitutional "U.S. citizen".

"A foreign corporation is one that derives its existence solely from the laws of another state, government, or country, and the term is used indiscriminately, sometimes in statutes, to designate either a corporation created by or under the laws of another state or a corporation created by or under the laws of a foreign country."

*"A federal corporation operating within a state is considered a domestic corporation rather than a foreign corporation. **The United States government is a foreign corporation with respect to a state.**"*
[19 Corpus Juris Secundum (C.J.S.), Corporations, §883 (2003)]

"A corporation is a citizen, resident, or inhabitant of the state or country by or under the laws of which it was created, and of that state or country only."
[19 Corpus Juris Secundum (C.J.S.), Corporations, §886 (2003)]

2. The human being filing the tax return is the public officer occupying said public office. He or she entered into a partnership and trusteeship with the office by applying for a de facto license to act in the capacity as said officer. That license is the Taxpayer Identification Number (TIN) or Social Security Number (SSN) and it is applied for using:

2.1. IRS Forms W-7 and W-9.

2.2. Social Security Forms SS-4 and SS-5.

3. The partnership between the public office and the public officer is the "person" described in:

3.1. 26 U.S.C. §6671(b) :

[TITLE 26 > Subtitle F > CHAPTER 68 > Subchapter B > PART I > § 6671](#)
[§ 6671. Rules for application of assessable penalties](#)

(b) Person defined

The term "person", as used in this subchapter, 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.

3.2. 26 U.S.C. §7343:

[TITLE 26 > Subtitle F > CHAPTER 75 > Subchapter D > Sec. 7343.](#)
[Sec. 7343. - Definition of term "person"](#)

The term "person" as used in this chapter [[Chapter 75](#)] 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

4. The "duty" described in the above statutes is a fiduciary duty owed to the public at large by the public office and the officer CONSENSUALLY filling said office.

"As expressed otherwise, the powers delegated to a public officer are held in trust for the people and are to be exercised in behalf of the government or of all citizens who may need the intervention of the officer."¹⁵ Furthermore, the view has been expressed that all public officers, within whatever branch and whatever level of government, and whatever be their private vocations, are trustees of the people, and accordingly labor under every disability and prohibition imposed by law upon trustees relative to the making of personal financial gain

¹⁵ State ex rel. Nagle v. Sullivan, 98 Mont. 425, 40 P.2d. 995, 99 A.L.R. 321; Jersey City v Hague, 18 NJ 584, 115 A.2d. 8.

1 from a discharge of their trusts.¹⁶ That is, a public officer occupies a fiduciary relationship to the political
2 entity on whose behalf he or she serves.¹⁷ and owes a fiduciary duty to the public.¹⁸ It has been said that the
3 fiduciary responsibilities of a public officer cannot be less than those of a private individual.¹⁹ Furthermore,
4 it has been stated that any enterprise undertaken by the public official which tends to weaken public confidence
5 and undermine the sense of security for individual rights is against public policy.²⁰
6 [63C American Jurisprudence 2d, Public Officers and Employees, §247 (1999)]

- 7 5. The public office is confined to operate ONLY within the District of Columbia as required by statute at 4 U.S.C. §72.
8 It MAY NOT lawfully operate in a Constitutional state of the Union without violating the separation of powers
9 doctrine:

10 [TITLE 4 > CHAPTER 3 > § 72](#)
11 [§ 72. Public offices; at seat of Government](#)

12 All offices attached to the seat of government shall be exercised in the District of Columbia, and not elsewhere,
13 except as otherwise expressly provided by law.

- 14 6. The tax return being filed is a profit and loss statement for a federal business trust that is wholly owned by the U.S.
15 Government over which the public officer is a trustee, fiduciary, and “transferee” as described in 26 U.S.C. §§6901 and
16 6903.
17 6.1. “gross income” on the tax return is the total earnings of the business trust.
18 6.2. Everything on the tax return is “trade or business” earnings connected to a public office in the U.S. government.
19 26 U.S.C. §7701(a)(26) defines the term “trade or business” as “the functions of a public office”.
20 6.3. “Deductions” taken on the tax return may only be taken for those activities directly incident to the exercise of the
21 public office and described in 26 U.S.C. §162. Those activities that are NOT so associated are not deductible
22 because they are PRIVATE activities rather than PUBLIC activities that cannot lawfully be subsidized by the
23 government without wrongfully converting public property to a PRIVATE use.
24 7. The labor or services documented on the tax return are rendered NOT by the PRIVATE human being or public officer
25 running the public office, but by the public office and business trust itself under hire by a third party. In that sense, the
26 public office is the equivalent of a contractor or “Kelley Girl” on loan from Uncle.
27 8. The duty to file the tax return owed by the public officer to the public office and its government owner is the following
28 duty, and that duty would exist EVEN WITHOUT A STATUTE EXPRESSLY REQUIRING THE FILING OF
29 RETURNS. It is a natural consequence of the fiduciary duty owed by ALL “public officers”:

30 *“I: DUTY TO ACCOUNT FOR PUBLIC FUNDS*

31 *§ 909. In general.-*

32 *It is the duty of the public officer, like any other agent or trustee, although not declared by express statute, to*
33 *faithfully account for and pay over to the proper authorities all moneys which may come into his hands upon*
34 *the public account, and the performance of this duty may be enforced by proper actions against the officer*
35 *himself, or against those who have become sureties for the faithful discharge of his duties.”*

36 *[A Treatise on the Law of Public Offices and Officers, p. 609, §909; Floyd Mechem, 1890;*
37 *SOURCE: <http://books.google.com/books?id=g-I9AAAIAAJ&printsec=titlepage>]*

¹⁶ Georgia Dep’t of Human Resources v. Sistrunk, 249 Ga. 543, 291 S.E.2d. 524. A public official is held in public trust. Madlener v. Finley (1st Dist) 161 Ill.App.3d. 796, 113 Ill.Dec. 712, 515 N.E.2d. 697, app gr 117 Ill.Dec. 226, 520 N.E.2d. 387 and revd on other grounds 128 Ill.2d. 147, 131 Ill.Dec. 145, 538 N.E.2d. 520.

¹⁷ Chicago Park Dist. v. Kenroy, Inc., 78 Ill.2d. 555, 37 Ill.Dec. 291, 402 N.E.2d. 181, appeal after remand (1st Dist) 107 Ill.App.3d. 222, 63 Ill.Dec. 134, 437 N.E.2d. 783.

¹⁸ United States v Holzer (CA7 Ill) 816 F.2d. 304 and vacated, remanded on other grounds 484 U.S. 807, 98 L.Ed. 2d 18, 108 S.Ct. 53, on remand (CA7 Ill) 840 F.2d. 1343, cert den 486 U.S. 1035, 100 L.Ed. 2d 608, 108 S.Ct. 2022 and (criticized on other grounds by United States v Osser (CA3 Pa) 864 F.2d. 1056) and (superseded by statute on other grounds as stated in United States v Little (CA5 Miss) 889 F.2d. 1367) and (among conflicting authorities on other grounds noted in United States v Boylan (CA1 Mass) 898 F.2d. 230, 29 Fed.Rules.Evid.Serv. 1223).

¹⁹ Chicago ex rel. Cohen v Keane, 64 Ill.2d. 559, 2 Ill.Dec. 285, 357 N.E.2d. 452, later proceeding (1st Dist) 105 Ill.App.3d. 298, 61 Ill.Dec. 172, 434 N.E.2d. 325.

²⁰ Indiana State Ethics Comm’n v Nelson (Ind App) 656 N.E.2d. 1172, reh gr (Ind App) 659 N.E.2d. 260, reh den (Jan 24, 1996) and transfer den (May 28, 1996).

- 1 9. Whether the PRIVATE public officer, a human being, is “on duty” or “off duty” when he renders his labor services is
2 **crucial** in determining whether the labor and services are deductible as an expense to the business trust filing the
3 return.
4 9.1. If the public officer is OFF DUTY and he is paid by the business trust for his services, then the cost of the labor is
5 deductible.
6 9.2. If the public officer is ON DUTY, then they are not.
7 10. How do you determine what actions are attributable to the public office and which are not?
8 10.1. Anything VOLUNTARILY associated with the license number is an act of the public office and NOT the human
9 being filling the office. For instance, if withholding paperwork were provided by the human being to the payer in
10 connection with a financial transaction or business relationship, and that withholding paperwork included a
11 Taxpayer Identification Number, then the payment is connected with the public office and not the private human
12 being.
13 10.2. Anything NOT associated with the number is PRIVATE activity of the human being.
14 For details on how PRIVATE property is donated to a PUBLIC use by associating it with PUBLIC property called a
15 Taxpayer Identification Number, see:

About SSNs and TINs on Government Forms and Correspondence, Form #05.012
<http://sedm.org/Forms/FormIndex.htm>

16 How can we use the information above to protect the excludability of the cost of the labor rendered by the human being?
17 Here are some pointers we have learned so far:

- 18 1. The reason you must distinguish between the public office/straw man and the private human being is summed up in the
19 following maxim of law:

Quando duo juro concurrunt in und personâ, aequum est ac si essent in diversis.

*When two rights [public right v. private right] concur in one person, it is the same as if they were in **two separate***

persons. 4 Co. 118.

[Bouvier's Maxims of Law, 1856;

SOURCE: <http://famguardian.org/Publications/BouvierMaximsOfLaw/BouviereMaxims.htm>]

- 25 2. The business trust uses the all caps name in association with the Social Security number and says after the name
26 “(business trust)” on the return and all correspondence.
27 3. The private human being:
28 3.1. Spells his name in all lower case
29 3.2. Puts after his/her name and signature “(private human being)”.
30 3.3. Identifies him/her self as a “nontaxpayer” not engaged in the “trade or business”/public office franchise and a
31 nonresident.
32 3.4. Does not use the government’s “de facto license number”, the SSN or TIN.
33 4. A contract in commerce between the business trust and the human being must be attached to the tax return
34 distinguishing the two, and characterizing the earnings of the private human being as:
35 4.1. Being rendered OFF DUTY as OTHER than a public officer.
36 4.2. Rendered by a nonresident alien who is not a STATUTORY “individual” or “person”, meaning PUBLIC person.
37 4.3. Not connected to the public officer license number called the Taxpayer Identification Number.
38 4.4. Deposited to an account not connected with the Taxpayer Identification Number.
39 4.5. Rendered outside the “United States”, which is defined in 26 U.S.C. §7701(a)(9) and (a)(10) as the District of
40 Columbia and statutory but not Constitutional “States” found in 4 U.S.C. §110(d).

41 If you don’t exhaustively distinguish between the public office and business trust who is the “taxpayer”, and the private
42 human being who is the “nontaxpayer” in the return you file, then you will betray your own ignorance and invite a corrupted
43 government to persecute and prosecute you for what can be made to “appear” as a fraud upon Uncle.

CAVEAT EMPTOR!

45 The IRS and the government have a vested interest to hide the information in this section in order that you won’t deduct the
46 cost of the labor on the tax return. That is why they try to hide who the “taxpayer” is with vague definitions in the code. For
47 more information on who this “taxpayer” is, see:

5 Excludability of filer's OWN labor

5.1 Income tax is upon "profit" and not ALL earnings

Subtitle A of the Internal Revenue Code describes an indirect excise tax upon "profit" in connection with a "trade or business", which [26 U.S.C. §7701\(a\)\(26\)](#) defines as "the functions of a public office". The nature of it as an indirect excise tax upon a "trade or business" is exhaustively proven in the article below:

Authorities from the U.S. Supreme Court proving that it is a tax upon profit are shown below:

"The Sixteenth Amendment declares that Congress shall have power to levy and collect taxes on income, "from [271 U.S. 174] whatever source derived," without apportionment among the several states and without regard to any census or enumeration. It was not the purpose or effect of that amendment to bring any new subject within the taxing power. Congress already had power to tax all incomes. But taxes on incomes from some sources had been held to be "direct taxes" within the meaning of the constitutional requirement as to apportionment. Art. 1, § 2, cl. 3, § 9, cl. 4; *Pollock v. Farmers' Loan & Trust Co.*, 158 U.S. 601. The Amendment relieved from that requirement, and obliterated the distinction in that respect between taxes on income that are direct taxes and those that are not, and so put on the same basis all incomes "from whatever source derived." *Brushaber v. Union P. R. Co.*, 240 U.S. 1, 17. "**Income**" **has been taken to mean the same thing as used in the Corporation Excise Tax Act of 1909, in the Sixteenth Amendment, and in the various revenue acts subsequently passed. *Southern Pacific Co. v. Lowe*, 247 U.S. 330, 335; *Merchants' L. & T. Co. v. Smetanka*, 255 U.S. 509, 219. After full consideration, this Court declared that income may be defined as gain derived from capital, from labor, or from both combined, including profit gained through sale or conversion of capital. *Stratton's Independence v. Howbert*, 231 U.S. 399, 415; *Doyle v. Mitchell Brothers Co.*, 247 U.S. 179, 185; *Eisner v. Macomber*, 252 U.S. 189, 207. And that definition has been adhered to and applied repeatedly. See, e.g., *Merchants' L. & T. Co. v. Smetanka*, *supra*; 518; *Goodrich v. Edwards*, 255 U.S. 527, 535; *United States v. Phellis*, 257 U.S. 156, 169; *Miles v. Safe Deposit Co.*, 259 U.S. 247, 252-253; *United States v. Supplee-Biddle Co.*, 265 U.S. 189, 194; *Irwin v. Gavit*, 268 U.S. 161, 167; *Edwards v. Cuba Railroad*, 268 U.S. 628, 633. In determining what constitutes income, substance rather than form is to be given controlling weight. *Eisner v. Macomber*, *supra*, 206. [271 U.S. 175]"**

[*Bowers v. Kerbaugh-Empire Co.*, [271 U.S. 170](#), 174, (1926)]

"As repeatedly pointed out by this court, the Corporation Tax Law of 1909. **imposed an excise or privilege tax, and not in any sense, a tax upon property or upon income merely as income.** It was enacted in view of the decision of *Pollock v. Farmer's Loan & T. Co.*, 157 U.S. 429, 29 L.Ed. 759, 15 Sup.St.Rep. 673, 158 U.S. 601, 39 L.Ed. 1108, 15 Sup.Ct.Rep. 912, which held the income tax provisions of a previous law to be unconstitutional because amounting in effect to a direct tax upon property within the meaning of the Constitution, and because not apportioned in the manner required by that instrument."

[*U.S. v. Whiteridge*, [231 U.S. 144](#), 34 S.Sup.Ct. 24 (1913)]

"We must reject in this case, as we have rejected in cases arising under the Corporation Excise Tax Act of 1909 (*Doyle, Collector, v. Mitchell Brothers Co.*, 247 U.S. 179, 38 Sup.Ct. 467, 62 L.Ed.--), the broad contention submitted on behalf of the government that all receipts—everything that comes in—are income within the proper definition of the term 'gross income,' and that the entire proceeds of a conversion of capital assets, in whatever form and under whatever circumstances accomplished, should be treated as gross income. Certainly the term "income" has no broader meaning in the 1913 act than in that of 1909 (see *Stratton's Independence v. Howbert*, 231 U.S. 399, 416, 417 S., 34 Sup.Ct. 136), and for the present purpose we assume there is no difference in its meaning as used in the two acts."

[*Southern Pacific Co. v. Lowe*, [247 U.S. 330](#), 335, 38 S.Ct. 540 (1918)]

"Income within the meaning of the **16th Amendment** and the **Revenue Act** means, gain ... and in such connection gain means profit ... proceeding from property severed from capital, however invested or employed and coming in, received or drawn by the taxpayer for his separate use, benefit and disposal"

[*Stapler v. U.S.*, 21 F.Supp. 737,U.S. Dist. Ct. EDPA (1937)]

"Whatever may constitute income, therefore must have the essential feature of gain to the recipient. This was true when the **16th Amendment** became effective, it was true at the time of *Eisner v. Macomber*, supra, it was true under **sect. 22(a)** of the **Internal Revenue Code** of 1938, and it is likewise true under **sect. 61(a)** of the **I.R.S. Code** of 1954. If there is not gain, there is not income Congress has taxed INCOME and not compensation." [Conner v. U.S., 303 F.Supp. 1187]

The act under which the assessment was made provides that the net income of a taxable person shall include gains, profits, and income derived from ... sales or dealings in property, whether real or personal ... or gains or profits and income derived from any source whatever. 39 Stat. 757; 40 Stat. 300, 307.

Section 2(c) of this same act provides that--

'For the purpose of ascertaining the gain derived from the sale or other disposition of property, real, personal, or mixed, acquired before March first, nineteen hundred and thirteen, the fair market price or value of such property as of March first, nineteen hundred and thirteen, shall be the basis for determining the amount of such gain derived.'

And the definition of 'income' approved by this Court is:

'The gain derived from capital, from labor, or from both combined,' provided it be understood to include profits gained through sale or conversion of capital assets.' Eisner v. Macomber, 252 U.S. 189, 207, 40 S. Sup.Ct. 189, 193 (64 L.Ed. 521, 9 A.L.R. 1570).

It is thus very plain that the statute imposes the income tax on the proceeds of the sale of personal property to the extent only that gains are derived therefrom by the vendor, and we therefore agree with the Solicitor General that since no gain was realized on this investment by the plaintiff in error no tax should have been assessed against him. [Goodrich v. Edwards, 255 U.S. 527 (1921)]

“Taxable income”, which is “profit” is then defined as income minus expenses within the Internal Revenue Code.

[TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter B > PART I > § 63](#)
[§ 63. Taxable income defined](#)

(a) In general

Except as provided in subsection (b), for purposes of this subtitle, the term “taxable income” means gross income minus the deductions allowed by this chapter (other than the standard deduction).

5.2 What is “income”?

Like any legal term, there are TWO separate contexts in which “income” may be defined: 1. Statutory; 2. Constitutional. The statutory and constitutional contexts are mutually exclusive and non-overlapping. All “income” must fit in one but not both of these categories. Below is a breakdown of these two contexts:

Table 5: Constitutional v. Statutory "income" compared

#	Characteristic	Constitutional context	Statutory context
1	Source of authority to tax	Article 1, Section 8, Clause 1 of the United States Constitution	Article 4, Section 3, Clause 2 of the United States Constitution.
2	Geographic applicability	states of the Union	Federal territories and possessions
3	Activities included in the definition of “income” based on current law	Profit of a federal and not state corporation from foreign commerce ONLY	Public offices in the United States government
4	Nature of tax upon “income”	Excise tax on foreign commerce under Const. Article 1, Section 8, Clause 1	Statutory franchises within the United States government
5	Statutory definition of “income” allowed	No. Constitution defines it.	Yes. Not constrained by the Constitution.
6	Who can define it	The courts	The legislature.

1 Acts or statutes enacted by the United States Congress such as the Internal Revenue Code fall in the right column above and
2 limit themselves to federal territory not protected by the Constitution. Hence, "income" within the I.R.C. Subtitle A is not
3 constrained by the United States Constitution, because the definitions within the I.R.C. and the Constitution both limit its
4 operation to federal territory and the national government itself.

5 The U.S. Supreme Court has held that the Constitutional context on the left, Congress is WITHOUT any lawful authority to
6 define the word "income":

7 *"In order, therefore, that the [apportionment] clauses cited from article I [§2, cl. 3 and §9, cl. 4] of the*
8 *Constitution may have proper force and effect ...[I]t becomes essential to distinguish between what is an what is*
9 *not 'income,' ...according to truth and substance, without regard to form. **Congress cannot by any definition it***
10 ***may adopt conclude the matter, since it cannot by legislation alter the Constitution, from which alone, it derives***
11 ***its power to legislate, and within those limitations alone that power can be lawfully exercised...** [pg.*
12 *207]...After examining dictionaries in common use we find little to add to the succinct definition adopted in two*
13 *cases arising under the Corporation Tax Act of 1909, *Stratton's Independence v. Howbert*, 231 U.S. 399, 415, 34*
14 *S.Sup.Ct. 136, 140 [58 L.Ed. 285] and *Doyle v. Mitchell Bros. Co.*, 247 U.S. 179, 185, 38 S.Sup.Ct. 467, 469, 62*
15 *L.Ed. 1054..."*
16 *[Eisner v. Macomber, 252 U.S. 189, 207, 40 S.Ct. 189, 9 A.L.R. 1570 (1920)]*

17 Congress itself admitted it could not statutorily define the word "income" in the Constitutional context or within states of the
18 Union shortly after the Sixteenth Amendment was ratified in 1913 in the case where they were contemplating how to write
19 the first income tax law. The Congressional Record says the following on August 28, 1913 on this subject:

20 *Mr. CUMMINS [...]*

21 *It ought not to be forgotten, however-and I am now speaking to the lawyers on the other side; I want to make a*
22 *lawyer's argument and not to raise at this moment any question of policy-that the authority of the Congress of the*
23 *United States with regard to this subject is not unlimited. Our power is not like the power which Great Britain*
24 *exercises over the subject. It is not like the power which the several States exercise over the subject. It is a power*
25 *granted in article 16 of the Constitution, and I will read it:*

26 *Congress shall have power to lay and collect taxes on incomes from whatever source*
27 *derived, without apportionment among the several States, and without regard to any census*
28 *or enumeration.*

29 *Our authority is to levy a tax upon incomes. I take it that every lawyer will agree with me in the conclusion that*
30 *we cannot levy under this amendment a tax upon anything but an income. I assume that every lawyer will agree*
31 *with me that we can not legislatively interpret the meaning of the word "income." **That is purely a judicial matter.***
32 *We can not enlarge the meaning of the word "income." We need not levy our tax upon the entire income. We may*
33 *levy it upon part of an income, but we cannot levy it upon anything but an income; **and what is income must be***
34 ***determined by the courts of the country when the question is submitted to them.***

35 *I think there can be no controversy with regard to those propositions. I am very anxious that when this bill shall*
36 *have passed it may be effective, that its operation may not be suspended or delayed through a resort to legal*
37 *tribunals.*

38 *Mr. FLETCHER. Mr. President-*

39 *The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Florida?*

40 *Mr. CUMMINS. I yield to the Senator.*

41 *Mr. FLETCHER. I should like to inquire whether the Senator means to state that Congress can not by statute*
42 *define what shall be regarded as an income tax?*

43 *Mr. CUMMINS. I do not think so, Mr. President. The word "income" had a well-defined meaning before the*
44 *amendment of the Constitution was adopted. It has been defined in all the courts of this country. When the*
45 *people of the country granted to Congress the right to levy a tax on incomes, that right was granted with reference*
46 *to the legal meaning and interpretation of the word "income" as it was then or as it might thereafter be defined*
47 *or understood in legal procedure. If we could call anything income that we pleased, we could obliterate all the*
48 *distinctions between income and principal. Whenever this law tested in the courts of the country, it will be found*
49 *that the courts will undertake to declare whether the thing upon which we levy the tax is income or whether it is*
50 *something else, and therefore we ought to be in the highest degree careful in endeavoring to interpret the*
51 *Constitution through a statutory enactment.*

52 *[Congressional Record, Vol. 50, August 28, 1913, p. 3843*
53 *SOURCE: <http://famguardian.org/TaxFreedom/History/Congress/1909-16thAmendCongrRecord.pdf>]*

1 A very important implication of Eisner and the Congressional Record above and the preceding section are that:

- 2 1. Congress cannot statutorily define “income” in a state of the Union or in a Constitutional context. Only the judicial
- 3 branch can define “income” within the context of the Constitution of the United States and the Sixteenth Amendment.
- 4 2. The U.S. Supreme Court and lower courts have consistently held that the word “income” as used within the Constitutional
- 5 and not statutory context, includes only “profit”, as we covered in the preceding section.
- 6 3. If Congress cannot statutorily define the word “income” in a Constitutional context or within a state of the Union, then
- 7 the IRS cannot have any delegated authority to define it in their publications or the Internal Revenue Manual (I.R.M.)
- 8 either.
- 9 4. Since the term “income” is statutorily defined in [26 U.S.C. §643](#), then the “income” they mean cannot include anything
- 10 earned within a state of the Union. Therefore, the only “income” that Congress can be referring to is “profit” in
- 11 connection with taxable activities occurring on federal territory.

12 [TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter J > PART I > Subpart A > § 643](#)
13 [§ 643. Definitions applicable to subparts A, B, C, and D](#)

14 (b) **Income**

15 *For purposes of this subpart and subparts B, C, and D, **the term “income”, when not preceded by the words***
16 ***“taxable”, “distributable net”, “undistributed net”, or “gross”, means the amount of income of the estate or***
17 ***trust for the taxable year determined under the terms of the governing instrument and applicable local law.***
18 *Items of gross income constituting extraordinary dividends or taxable stock dividends which the fiduciary, acting*
19 *in good faith, determines to be allocable to corpus under the terms of the governing instrument and applicable*
20 *local law shall not be considered income.*

- 21 5. The IRS’ own Internal Revenue Manual (I.R.M.) admits that not only it, but every IRS form and publication is
- 22 UNTRUSTWORTHY and should NOT be cited or used as a basis for good faith belief.

23 *“IRS Publications, issued by the National Office, explain the law in plain language for taxpayers and their*
24 *advisors... While a good source of general information, publications should not be cited to sustain a position.”*
25 [\[IRM 4.10.7.2.8 \(05-14-1999\)\]](#)

26 Based on the above, those protected by the Constitution and physically present within a constitutional and not statutory State
27 of the Union should not be relying on IRS publications to define “income” and the only thing we can consistently rely upon
28 for a definition is the enacted positive law itself. By “positive law”, we mean enactments of Congress that are legally
29 admissible as evidence in a court of law of an obligation.

30 The other thing we should notice from the statutory definition of “income” found in 26 U.S.C. §643 above is that it expressly
31 includes ONLY earnings of an estate or trust. Hence, even on federal territory, you must be a trustee or executor of a trust to
32 even earn statutory “income”. The only type of trust or estate they can be talking about is a public and not private trust or
33 estate, because the ability to regulate PRIVATE conduct is “repugnant to the constitution”.

34 *“The power to “legislate generally upon” life, liberty, and property, as opposed to the “power to provide modes*
35 *of redress” against offensive state action, was “repugnant” to the Constitution. Id., at 15. See also United States*
36 *v. Reese, [92 U.S. 214, 218](#) (1876); United States v. Harris, [106 U.S. 629, 639](#) (1883); James v. Bowman, [190](#)*
37 *[U.S. 127, 139](#) (1903). Although the specific holdings of these early cases might have been superseded or modified,*
38 *see, e.g., Heart of Atlanta Motel, Inc. v. United States, [379 U.S. 241](#) (1964); United States v. Guest, [383 U.S. 745](#)*
39 *(1966), their treatment of Congress’ §5 power as corrective or preventive, not definitional, has not been*
40 *questioned.”*
41 [\[City of Boerne v. Florez, Archbishop of San Antonio, 521 U.S. 507 \(1997\)\]](#)

42 What “public trust” might they be talking about? The government! Government is a “public trust”:

43 *Executive Order 12731*
44 *“Part 1 -- PRINCIPLES OF ETHICAL CONDUCT*

45 *“Section 101. Principles of Ethical Conduct. To ensure that every citizen can have complete confidence in the*
46 *integrity of the Federal Government, each Federal employee shall respect and adhere to the fundamental*
47 *principles of ethical service as implemented in regulations promulgated under sections 201 and 301 of this order:*

48 **“(a) Public service is a public trust, requiring employees to place loyalty to the Constitution, the laws, and**
49 **ethical principles above private gain.**

TITLE 5--ADMINISTRATIVE PERSONNEL
CHAPTER XVI--OFFICE OF GOVERNMENT ETHICS
PART 2635--STANDARDS OF ETHICAL CONDUCT FOR EMPLOYEES OF THE EXECUTIVE BRANCH--
Table of Contents
Subpart A--General Provisions
Sec. 2635.101 Basic obligation of public service.

(a) Public service is a public trust.

Each employee has a responsibility to the United States Government and its citizens to place loyalty to the Constitution, laws and ethical principles above private gain. To ensure that every citizen can have complete confidence in the integrity of the Federal Government, each employee shall respect and adhere to the principles of ethical conduct set forth in this section, as well as the implementing standards contained in this part and in supplemental agency regulations.

All those working in the national and not state government as public officers are therefore trustees of the public trust. Any earnings they have in the capacity of public officers are therefore the only proper subject of taxes upon “income” within the national and not state government. These conclusions are completely consistent with the definitions found in the Internal Revenue Code limiting taxes upon “income” under Subtitle A of the I.R.C. The I.R.C. Subtitle A is, in fact, an excise tax upon public offices in the U.S. government and not state government. That excise tax is NEITHER “direct” nor “indirect”, because these two terms only have meaning within the Constitutional context, and the I.R.C. Subtitle A is a statutory and NOT constitutional context. For further details see:

[The “Trade or Business” Scam](http://sedm.org/Forms/FormIndex.htm), Form #05.001
<http://sedm.org/Forms/FormIndex.htm>

If you would like to investigate further the meaning of “income”, the following resources should prove very useful:

1. [Great IRS Hoax](http://sedm.org/Forms/FormIndex.htm), Form #11.302, Sections 3.9.1.9 and 5.6.5.
2. [Sovereignty Forms and Instructions Online](http://sedm.org/Forms/FormIndex.htm), Form #10.004, Cites by Topic: Income.
3. [Sixteenth Amendment Congressional Debates](http://sedm.org/Exhibits/ExhibitIndex.htm), Exhibit #02.007.
4. [Constitutional Income](http://www.constitutionalincome.com), Phil Hart, ISBN 0-9711880-0-9. SOURCE: <http://www.constitutionalincome.com>.

5.3 Why One’s Own Labor is not an article of Commerce and cannot Produce “profit” in the Context of Oneself

The following question naturally arises from the preceding sections relating to “profit”:

QUESTION: What is “profit” in the context not of a business, but a private individual who offers his valuable labor in EQUAL exchange for some other valuable commodity?

ANSWER: In the context of private individuals who sell their labor in exchange for money, there cannot lawfully be any such thing as “profit”. The exchange of valuable labor for some other valuable commodity is an **EQUAL** exchange which does not have any profit involved, and therefore cannot be the subject of any kind of tax upon profits. If labor has no value in the exchange, then *no one* would be willing to pay anything for it! Anyone who argues with this premise can do nothing but contradict themselves.

The above conclusions are confirmed by the U.S. Code, which says that “the labor of a human being is not a commodity or article of commerce”:

[TITLE 15 > CHAPTER 1 > § 17](#)
[§ 17. Antitrust laws not applicable to labor organizations](#)

The labor of a human being is not a commodity or article of commerce. Nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations,

1 instituted for the purposes of mutual help, and not having capital stock or conducted for profit, or to forbid or
2 restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof; nor
3 shall such organizations, or the members thereof, be held or construed to be illegal combinations or conspiracies
4 in restraint of trade, under the antitrust laws.

5 If “the labor of a human being is not a commodity or article of commerce”, then at least in the context of oneself:

- 6 1. It cannot produce “profit” in the context of oneself as a human being.
- 7 2. We cannot lawfully take deductions in connection with the expenses needed to produce our own labor, because these
8 expenses might exceed the compensation and thereby produce a loss which compels the government to in effect
9 subsidize people who work for less than the full Fair Market Value or Cost of Producing their labor by giving them a
10 tax break.
- 11 3. It has no “cost basis” in the context of oneself. Consequently, there can be neither “profit” NOR its inverse, which is
12 “loss”, in connection with one’s own labor. The full Fair Market Value of the labor, which is the full amount we
13 received as payment for our OWN labor and not more, may lawfully be excluded from the compensation received in
14 EQUAL exchange for it pursuant to [26 U.S.C. §83](#) in computing gross income BEFORE we enter it on the IRS Form
15 1040, Line 7, thus rendering neither profit nor loss.

16 The debates on the [Sixteenth Amendment](#), which the government frequently identifies as the source of their authority to tax
17 the labor of a human being, also abundantly confirm that the legislative intent of the [Sixteenth Amendment](#) never included
18 the goal of taxing the labor of a human being. Instead, the main purpose of that amendment was to tax passive, unearned
19 profits of large corporations and trusts that had grown to gargantuan proportions at that time. You can read the entire [Sixteenth](#)
20 [Amendment](#) Congressional debates below, and it is electronically searchable for your convenience:

[Sixteenth Amendment Congressional Debates](#), Exhibit #02.007
<http://sedm.org/Exhibits/ExhibitIndex.htm>

21 Among the statements during those debates were the following, which confirm the findings of this section:

22 *“Mr. Brandegee. **Mr. President, what I said was that the amendment [the Sixteenth Amendment] exempts***
23 ***absolutely everything that a man makes for himself.** Of course it would not exempt a legacy which somebody*
24 *else made for him and gave to him. If a man’s occupation or vocation—for vocation means nothing but a calling—*
25 *if his calling or occupation were that of a financier it would exempt everything he made by underwriting and by*
26 *financial operations in the course of a year that would be the product of his effort [LABOR]. **Nothing can be***
27 ***imagined that a man can busy himself about with a view of profit which the amendment as drawn would not***
28 ***utterly exempt.**”*
29 *[50 Cong.Rec. p. 3839, 1913]*

30 The U.S. Supreme Court has also held that labor of a human being is not taxable to that same human being, when it said:

31 *“Every man has a natural right to the fruits of his own labor, is generally admitted; and **no other person can***
32 ***rightfully deprive him of those fruits, and appropriate them against his will ...”***
33 *[The Antelope, 23 U.S. 66, 10 Wheat 66, 6 L.Ed. 268 (1825)]*

34 *“There is a clear distinction in this particular case between an individual and a corporation, and that the latter*
35 *has no right to refuse to submit its books and papers for an examination at the suit of the State. **The individual***
36 ***may stand upon his constitutional rights as a citizen. He is entitled to carry on his private business in his own***
37 ***way. His power to contract is unlimited. He owes no such duty to the State, since he receives nothing therefrom,***
38 ***beyond the protection of his life and property. His rights are such as existed by the law of the land long***
39 ***antecedent to the organization of the State, and can only be taken from him by due process of law, and in***
40 ***accordance with the constitution.** Among his rights are a refusal to incriminate himself, and the immunity of*
41 *himself and his property from arrest or seizure except under a warrant of the law. **He owes nothing to the public***
42 ***so long as he does not trespass upon their rights.”***
43 *[Hale v. Henkel, 201 U.S. 43 at 47 (1906)]*

44 So the question for our esteemed readers is: What part of:

45 *“He owes NOTHING [including so-called “income taxes”] to the public so long as he does not trespass upon*
46 *their rights.”*

47 . . .do you NOT understand? Why is this? Because the government cannot tax or regulate the exercise of RIGHTS protected
48 by the Constitution. The only “persons” they can tax or regulate are those who engage in “privileges”. To wit:

1 **The power to tax the exercise of a privilege is the power to control or suppress its enjoyment. *Magnano Co. v.***
2 ***Hamilton*, 292 U.S. 40, 44, 45 S., 54 S.Ct. 599, 601, and cases cited. Those who can tax the exercise of this**
3 **religious practice can make its exercise so costly as to deprive it of the resources necessary for its maintenance.**
4 **Those who can tax the privilege of engaging in this form of missionary evangelism can close its doors to all those**
5 **who do not have a full purse. Spreading religious beliefs in this ancient and honorable manner would thus be**
6 **denied the needy. Those who can deprive religious groups of their colporteurs can take from them a part of the**
7 **vital power of the press which has survived from the Reformation.**

8 *It is contended, however, that the fact that the license tax can suppress or control this activity is unim- [319 U.S.*
9 *105, 113] portant if it does not do so. But that is to disregard the nature of this tax. **It is a license tax-a flat tax***
10 **imposed on the exercise of a privilege granted by the Bill of Rights. A state may not impose a charge for the**
11 **enjoyment of a right granted by the federal constitution.** *Thus, it may not exact a license tax for the privilege of*
12 *carrying on interstate commerce (*McGoldrick v. Berwind-White Co.*, 309 U.S. 33, 56-58, 60 S.Ct. 388, 397, 398,*
13 *128 A.L.R. 876), although it may tax the property used in, or the income derived from, that commerce, so long as*
14 *those taxes are not discriminatory. *Id.*, 309 U.S. at page 47, 60 S.Ct. at page 392, 128 A.L.R. 876 and cases cited.*
15 *A license tax applied to activities guaranteed by the First Amendment would have the same destructive effect. It*
16 *is true that the First Amendment, like the commerce clause, draws no distinction between license taxes, fixed sum*
17 *taxes, and other kinds of taxes. But that is no reason why we should shut our eyes to the nature of the tax and its*
18 *destructive influence. **The power to impose a license tax on the exercise of these freedoms is indeed as potent***
19 **as the power of censorship which this Court has repeatedly struck down. *Lovell v. Griffin*, 303 U.S. 444, 58**
20 **S.Ct. 666; *Schneider v. State*, *supra*; *Cantwell v. Connecticut*, 310 U.S. 296, 306, 60 S.Ct. 900, 904, 128 A.L.R.**
21 **1352; *Largent v. Texas*, 318 U.S. 418, 63 S.Ct. 667, 87 L.Ed. --; *Jamison v. Texas*, *supra*.** *It was for that reason*
22 *that the dissenting opinions in *Jones v. Opelika*, *supra*, stressed the nature of this type of tax. 316 U.S. at pages*
23 *607-609, 620, 623, 62 S.Ct. at pages 1243, 1244, 1250, 1251, 141 A.L.R. 514. In that case, as in the present ones,*
24 *we have something very different from a registration system under which those going from house to house are*
25 *required to give their names, addresses and other marks of identification to the authorities. In all of these cases*
26 *the issuance of the permit or license is dependent on the payment of a license tax. And the license tax is fixed in*
27 *amount and unrelated to the scope of the activities of petitioners or to their realized revenues. It is not a nominal*
28 *fee [319 U.S. 105, 114] imposed as a regulatory measure to defray the expenses of policing the activities in*
29 *question. **It is a flat license tax levied and collected as a condition to the pursuit***
30 **of activities whose enjoyment is guaranteed by the First Amendment. Accordingly, it restrains in advance those**
31 **constitutional liberties of press and religion and inevitably tends to suppress their exercise. That is almost**
32 **uniformly recognized as the inherent vice and evil of this flat license tax.** *As stated by the Supreme Court of*
33 *Illinois in a case involving this same sect and an ordinance similar to the present one, a person cannot be*
34 *compelled 'to purchase, through a license fee or a license tax, the privilege freely granted by the constitution.'*⁹
35 **Blue Island v. Kozul*, 379 Ill. 511, 519, 41 N.E.2d. 515, 519. So it may not be said that proof is lacking that these*
36 *license taxes either separately or cumulatively have restricted or are likely to restrict petitioners' religious*
37 *activities. On their face they are a restriction of the free exercise of those freedoms which are protected by the*
38 *First Amendment.*
39 *[*Murdock v. Commonwealth of Pennsylvania*, 319 U.S. 105, 63 S.Ct. 870 (1943)]*

40 The ability to exchange your labor, which has an intrinsic and definable value, for some other valuable commodity is a *right*
41 guaranteed by the Constitution of the United States of America. This is the reason for the existence of [26 U.S.C. §83](#) and the
42 reason why no part of your own personal labor, including that connected with privileged activities such as a “trade or
43 business”, can be the subject of *any* tax. There is no such thing as “profit” in the context of your own personal labor, because
44 they can’t tax or regulate the enjoyment of a right guaranteed by the Constitution. The state may tax profits associated with
45 *other people* you hire in the context of your business²¹, but not your OWN personal labor in the context of your OWN personal
46 income tax return. You have a RIGHT to enjoy property, and *you are your own property!* *Lynch v. Household Finance*
47 *Corp.*, [405 U.S. 538](#) (1972). You own, govern, and control the exclusive and enjoyment of yourself.²² Anyone who interferes
48 with the enjoyment of that right is instituting involuntary servitude in violation of the [Thirteenth Amendment](#). Please view
49 the fascinating animation on this subject below:

[Philosophy of Liberty, SEDM
https://sedm.org/education/liberty-university/liberty-university-2-2-philosophy-of-liberty/](https://sedm.org/education/liberty-university/liberty-university-2-2-philosophy-of-liberty/)

5.4 Why Labor is Property

“Property” is legally defined as follows:

²¹ If in fact Congress has expressly extended the authority of the Secretary of the United States Treasury to operate outside the District of Columbia and within the several 50 states of the Union pursuant to [4 U.S.C. §72](#). As of the time of this writing, no officer of the United States has been able to produce even one statute or law which so extends the authority of the Secretary to the 50 states of the Union pursuant to [4 U.S.C. §72](#).

²² You have an exclusive right to decide whether you go to work today, how much you want to work for, or whether you want to give away your labor for free. You don’t have to ask the government’s permission to make ANY one of these decisions. Therefore, your labor is completely and exclusively your own property, and no one can dictate what one can do with that property or the fruits of that property in a truly free society.

1 "Property. That which is peculiar or proper to any person; that which **belongs exclusively to one. In**
2 **the strict legal sense, an aggregate of rights which are guaranteed and protected by the**
3 **government.** *Fulton Light, Heat & Power Co. v. State, 65 Misc.Rep. 263, 121 N.Y.S. 536. The term is said to*
4 *extend to every species of valuable right and interest. More specifically, ownership; **the unrestricted and***
5 **exclusive right to a thing;** *the right to dispose of a thing in every legal way, to possess it, to use it, and to*
6 *exclude every one else from interfering with it. That dominion or indefinite right of particular things or subjects.*
7 *The exclusive right of possessing, enjoying, and disposing of a thing. The highest right a man can have to*
8 *anything; being used to refer to that right which one has to lands or tenements, goods or chattels, which no way*
9 *depends on another man's courtesy.*

10 *The word is also commonly used to denote everything which is the subject of ownership; corporeal or incorporeal,*
11 *tangible or intangible, visible or invisible, real or personal; everything that has an exchangeable value or which*
12 *goes to make up wealth or estate. **It extends to every species of valuable right and interest, and includes real***
13 **and personal property, easements, franchises, and incorporeal hereditaments, and includes every invasion of**
14 **one's property rights by actionable wrong.** *Labberton v. General Cas. Co. of America, 53 Wash.2d. 180, 332*
15 *P.2d. 250, 252, 254.*

16 [. . .]

17 **Property within constitutional protection, denotes group of rights inhering in citizen's relation to physical**
18 **thing, as right to possess, use and dispose of it.** *Cereghino v. State By and Through State Highway*
19 **Commission, 230 Or. 439, 370 P.2d. 694, 697."**
20 *[Black's Law Dictionary, Sixth Edition, p. 1216]*

21 Note the above admission that ALL RIGHTS are property:

22 **It extends to every species of valuable right and interest, and includes real and personal property, easements,**
23 **franchises, and incorporeal hereditaments, and includes every invasion of one's property rights by actionable**
24 **wrong.** *Labberton v. General Cas. Co. of America, 53 Wash.2d. 180, 332 P.2d. 250, 252, 254.*
25 *[Black's Law Dictionary, Sixth Edition, p. 1216]*

26 The U.S. Supreme Court admitted that "labor" is a "right", when it said:

27 **"Every man has a natural right to the fruits of his own labor,** *is generally admitted; and **no other person can***
28 **rightfully deprive him of those fruits, and appropriate them against his will ..."**
29 *[The Antelope, 23 U.S. 66, 10 Wheat 66, 6 L.Ed. 268 (1825)]*

30 Another way of saying the above is that YOU OWN YOURSELF. You are your OWN "property". Anyone who steals your
31 labor or the fruits of your labor without your EXPLICIT voluntary consent IN WRITING is stealing your "property".

32 *"Waivers of Constitutional rights not only must be voluntary, but must be knowing, intelligent acts done with*
33 *sufficient awareness of the relevant circumstances and likely consequences."*
34 *[Brady v. U.S., 397 U.S. 742 (1970)]*

35 *"The question of a waiver of a federally guaranteed constitutional right is, of course, a federal question controlled*
36 *by federal law. There is a presumption against the waiver of constitutional rights, see, e.g. Glasser v. United*
37 *States, 315 U.S. 60, 70-71, 86 L.Ed. 680, 699, 62 S.Ct. 457, and for a waiver to be effective it must be clearly*
38 *established that there was "an intentional relinquishment or abandonment of a known right or*
39 *privilege." Johnson v. Zerbst, 304 U.S. 458, 464, 82 L.Ed. 1461, 1466, 58 S.Ct. 1019, 146 A.L.R. 357."*
40 *[Brookhart v. Janis, 384 U.S. 1; 86 S.Ct. 1245; 16 L.Ed.2d. 314 (1966)]*

41 The U.S. Supreme Court also explicitly defined "labor" as "property" below, noting again that it is identified as an "inalienable
42 right", which is equivalent to "property":

43 *"Among these **unalienable rights,** as proclaimed in that great document [the Declaration of Independence] is*
44 *the right of men to pursue their happiness, by which is meant, the right any lawful business or vocation, in any*
45 *manner not inconsistent with the equal rights of others, which may increase their prosperity or develop their*
46 *faculties, so as to give them their highest enjoyment...It has been well said that, **THE PROPERTY WHICH***
47 **EVERY MAN HAS IN HIS OWN LABOR, AS IT IS THE ORIGINAL FOUNDATION**
48 **OF ALL OTHER PROPERTY SO IT IS THE MOST SACRED AND INVOLABLE... to**
49 *hinder his employing this strength and dexterity in what manner he thinks proper without injury to his neighbor,*
50 *is a plain violation of this most sacred property."*
51 *[Butchers' Union Co. v. Crescent City Co., 111 U.S. 746 (1884), Concurring opinion of Justice Field]*

1 There is ample case law to support the principle of statutory construction which makes the term “any property” all inclusive;
2 meaning that nothing is to be excluded by the word “any”. This is confirmed by the following cases where the United States
3 contends successfully that “any property” is all inclusive and means all property (see U.S. v. Monsanto, [491 U.S. 600](#), 607-
4 611 and (syllabus) (1989); United States v. Alvarez-Sanchez, [511 U.S. 350](#), 357 (1994); US. v. Gonzales, [520 U.S. 1](#), 4-6
5 (1997); Department of Housing and Urban Renewal v. Rucker, 535 U.S. 125, 130-31 (2002) citing Gonzalez and
6 Monsanto). Monsanto is quoted below:

7 *“Heroin manufacturer Monsanto argues that he should be allowed to keep enough money for attorney’s fees, but*
8 *the DOJ argues successfully that “any property” is all inclusive and therefore means the U.S. can seize any and*
9 *all property unless Monsanto can point to a specific exclusion of attorney’s fees under the law. DOJ can seize*
10 *everything owned by defendant.”*
11 *[U.S. v. Monsanto, [491 U.S. 600](#), 607-611]*

12 As used in statutes and regulations, the terms “any” or “any property” are to be construed as all-inclusive until Congress
13 “expressly” provides an exception to support the notion that such terms are not all inclusive. Since the 1989 Monsanto
14 decision regarding “any property,” three very recent decisions supra deal directly with the same question as to how to interpret
15 the term “any”; as all-inclusive and not subject to derogation.

16 The U.S. Supreme Court has also affirmed the RIGHT of everyone to exchange their labor, which is property, for something
17 of equal value, and that when any third party, including the government, interferes with such an exchange, for instance by
18 involuntarily withholding a portion of that exchange and thereby depriving either party to the contract of liberty and property,
19 then that party is violating rights. Such interference, we might add, also includes levying involuntary taxes upon one’s labor.
20 To wit:

21 *“Included in the right of personal liberty and the right of private property-partaking of the nature of each- is*
22 *the right to make contracts for the acquisition of property. Chief among such contracts is that of personal*
23 *employment, by which labor and other services are exchanged for money or other forms of property. If this*
24 *right be struck down or arbitrarily interfered with, there is a substantial impairment of liberty in the long-*
25 *established constitutional sense. The right is as essential to the laborer as to the capitalist, to the poor as to the*
26 *rich; for the vast majority of persons have no other honest way to begin to acquire property, save by working for*
27 *money.*

28 *An interference with this liberty so serious as that now under consideration, and so disturbing of equality of*
29 *right, must be deemed to be arbitrary, unless it be supportable as a reasonable exercise of the police power of*
30 *the state. But, notwithstanding the strong general presumption in favor of the validity of state laws, we do not*
31 *think the statute in question, as construed and applied in this case, can be sustained as a legitimate exercise of*
32 *that power. To avoid possible misunderstanding, we should here emphasize, what has been said before, that so*
33 *far as its title or enacting clause expresses a purpose to deal with coercion, compulsion, duress, or other undue*
34 *influence, we have no present concern with it, because nothing of that sort is involved in this case. As has [236*
35 *U.S. 1, 15] been many times stated, this court deals not with moot cases or abstract questions, but with the*
36 *concrete case before it. California v. San Pablo & T.R. Co. [149 U.S. 308, 314](#), 37 S.L.Ed. 747, 748, 13*
37 *Sup.Ct.Rep. 876; Richardson v. McChesney, [218 U.S. 487, 492](#), 54 S.L.Ed. 1121, 1122, 31 Sup.Ct.Rep. 43;*
38 *Missouri, K. & T.R. Co. v. Cade, [233 U.S. 642, 648](#), 58 S.L.Ed. 1135, 1137, 34 Sup.Ct.Rep. 678. We do not mean*
39 *to say, therefore, that a state may not properly exert its police power to prevent coercion on the part of employers*
40 *towards employees, or vice versa.*

41 [. . .]

42 *As to the interest of the employed, it is said by the Kansas supreme court to be a matter of common knowledge*
43 *that 'employees, as a rule, are not financially able to be as independent in making contracts for the sale of*
44 *their labor as are employers in making a contract of purchase thereof.' No doubt, wherever the right of private*
45 *property exists, there must and will be inequalities of fortune; and thus it naturally happens that parties*
46 *negotiating about a contract are not equally unhampered by circumstances. This applies to all contracts, and not*
47 *merely to that between employer and employee. Indeed, a little reflection will show that wherever the right of*
48 *private property and the right of free contract coexist, each party when contracting is inevitably more or less*
49 *influenced by the question whether he has much property, or little, or none; for the contract is made to the very*
50 *end that each may gain something that he needs or desires more urgently than that which he proposes to give in*
51 *exchange. And, since it is self-evident that, unless all things are held in common, some persons must have more*
52 *property than others, it is from the nature of things impossible to uphold freedom of contract and the right of*
53 *private property without at the same time recognizing as legitimate those inequalities of fortune that are the*
54 *necessary result of the exercise of those rights. But the 14th Amendment, in declaring that a state shall not 'deprive*
55 *any person of life, liberty, or property without due process of law,' gives to each of these an equal sanction; it*
56 *recognizes 'liberty' and 'property' as coexistent human rights, and debars the states from any unwarranted*
57 *interference with either.*

1 And since a state may not strike them down directly, it is clear that it may not do so indirectly, as by declaring
2 in effect that the public good requires the removal of those [236 U.S. 1, 18] inequalities that are but the normal
3 and inevitable result of their exercise, and then invoking the police power in order to remove the inequalities,
4 without other object in view. The police power is broad, and not easily defined, but it cannot be given the wide
5 scope that is here asserted for it, without in effect nullifying the constitutional guaranty. "

6 [. . .]

7 In short, an interference with the normal exercise of personal liberty and property rights is the primary object
8 of the statute [or tax], and not an incident to the advancement of the general welfare. But, in our opinion, the
9 14th Amendment debars the states from striking down personal liberty or property rights, or materially restricting
10 their normal exercise, excepting [236 U.S. 1, 19] so far as may be incidentally necessary for the accomplishment
11 of some other and paramount object, and one that concerns the public welfare. The mere restriction of liberty or
12 of property rights cannot of itself be denominated 'public welfare,' and treated as a legitimate object of the
13 police power; for such restriction is the very thing that is inhibited by the Amendment."
14 [Coppage v. State of Kansas, 236 U.S. 1 (1915)]

15 **5.5 Why the Cost of Labor is Excludable from Gross Receipts In Computing Profit**

16 The conversion they are talking about in the previous section is the conversion of "labor" and "capital" into finished goods.
17 The I.R.C. reflects the requirement for "profit" in [26 U.S.C. 883](#), which says that profit in the context of labor is any amount
18 collected in excess of the value of the labor collected. Below is an enumerated analysis of how this works:

19 1. Labor, and in fact ALL rights, are property:

20 "Every man has a natural right to the fruits of his own labor, is generally admitted; and **no other person can**
21 **rightfully deprive him of those fruits, and appropriate them against his will ...**"
22 [The Antelope, 23 U.S. 66, 10 Wheat 66, 6 L.Ed. 268 (1825)]

23 "THE PROPERTY WHICH EVERY MAN HAS IN HIS OWN LABOR, AS IT IS THE ORIGINAL FOUNDATION
24 OF ALL OTHER PROPERTY SO IT IS THE MOST SACRED AND INVIOABLE... to hinder his employing this
25 strength and dexterity in what manner he thinks proper without injury to his neighbor, is a plain violation of this
26 most sacred property."
27 [Butchers' Union Co. v. Crescent City Co., [111 U.S. 746](#) (1884), Concurring opinion of Justice Field]

28 2. The Supreme Court admitted that the income tax is NOT a tax upon "property". The reason is because then it would 29 be a direct tax" within the meaning of the Constitution that would amount to slavery because it could not be shifted or 30 avoided:

31 "As repeatedly pointed out by this court, the Corporation Tax Law of 1909..**imposed an excise or privilege tax,**
32 **and not in any sense, a tax upon property or upon income merely as income.** It was enacted in view of the
33 decision of Pollock v. Farmer's Loan & T. Co., 157 U.S. 429, 29 L.Ed. 759, 15 Sup.St.Rep. 673, 158 U.S. 601, 39
34 L.Ed. 1108, 15 Sup.Ct.Rep. 912, which held the income tax provisions of a previous law to be unconstitutional
35 because amounting in effect to a direct tax upon property within the meaning of the Constitution, and because
36 not apportioned in the manner required by that instrument."
37 [U.S. v. Whiteridge, [231 U.S. 144](#), 34 S.Sup.Ct. 24 (1913)]

38 "**We must reject in this case, as we have rejected in cases arising under the Corporation Excise Tax Act of**
39 **1909 (Doyle, Collector, v. Mitchell Brothers Co., 247 U.S. 179, 38 Sup.Ct. 467, 62 L.Ed.--), the broad**
40 **contention submitted on behalf of the government that all receipts—everything that comes in**
41 **[COMPENSATION FOR LABOR, for INSTANCE]-are income within the proper definition of the term 'gross**
42 **income,' and that the entire proceeds of a conversion of capital assets, in whatever form and under whatever**
43 **circumstances accomplished, should be treated as gross income.** Certainly the term "income" has no broader
44 meaning in the 1913 act than in that of 1909 (see Stratton's Independence v. Howbert, 231 U.S. 399, 416, 417 S.,
45 34 Sup.Ct. 136), and for the present purpose we assume there is no difference in its meaning as used in the two
46 acts."
47 [Southern Pacific Co. v. Lowe, [247 U.S. 330](#), 335, 38 S.Ct. 540 (1918)]

48 3. Because the right to one's own labor is property and that income tax cannot be a tax upon property, then it is a 49 violation of [26 U.S.C. §§ 83, 212, 1001, 1011](#), and [1012](#) to report the entirety of "compensation for 50 services" as described in [26 U.S.C. §61\(a\)\(1\)](#) as "**gross income**". Instead, the Fair Market Value of the labor along 51 with all of the other deductions from gross receipts identified later in section 5.6 later BEFORE we even begin 52 computing "gross income".

4. “compensation for services”, which most people wrongfully interpret to mean “all labor”, is described in 26 U.S.C. §61(a)(1):

[TITLE 26](#) > [Subtitle A](#) > [CHAPTER 1](#) > [Subchapter B](#) > [PART 1](#) > § 61
[§ 61. Gross income defined](#)

(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;

5. The phrase “except as otherwise provided in this subtitle” recognizes the authority of [26 U.S.C. §§83, 212, 1001, 1011, and 1012](#) in reducing one’s “profit” in the context of exchanges of property by the amount paid or exchanged for it. However, most Americans and tax professionals rarely read and understand the first seven words of [26 U.S.C. §61\(a\)](#); “**Except as otherwise provided in this subtitle**.” This is the subtle clue to let Americans know that there are *other* definitions of or exclusions from “Gross Income” which *supersede* the [26 U.S.C. § 61\(a\)](#) definition of “**Gross Income**.” This provision is repeated again in 26 C.F.R. §1.61-1(b), which says:

26 C.F.R. §1.61-1 Gross Income

(b) Cross References

... To the extent that an-other section of the Code or of the regulations thereunder, provides specific treatment for any item of income, such other provision shall apply notwithstanding section 61 and the regulations thereunder. The cross references do not cover all possible items.

To show how this exclusion process operates, take the example full time ministers of the gospel are allowed to **exclude** from “Gross Income” the rental value of a home furnished to them by their church as part of their compensation. [26 U.S.C. §107](#) states:

26 U.S.C. §107. Rental value of parsonages

In the case of a minister of the gospel, **gross income does not include**—

(1) the rental value of a home furnished to him as part of his compensation; or

(2) the rental allowance paid to him as part of his compensation, to the extent used by him to rent or provide a home and to the extent such allowance does not exceed the fair rental value of the home, including furnishings and appurtenances such as a garage, plus the cost of utilities.

6. As one can easily see from [26 U.S.C. §107](#), a minister’s home compensation is **excluded** from “Gross Income” and therefore cannot be taxed under any circumstances. Since [26 U.S.C. §§ 62](#) [adjusted gross income] and [63](#) [taxable income] both start from a value known as “Gross Income,” one cannot possibly have a federal tax liability or be subject to a federal tax without first having some amount of “Gross Income.”

7. The term “compensation for services” as used in [26 U.S.C. §61\(a\)](#) above means services rendered in connection with a “**trade or business**”, and NOT all of one’s labor. This is also confirmed by the statutes relating to “compensation for labor or personal services” as follows:

[26 U.S.C. §861 Income from Sources Within the United States](#)

(a)(3) “...Compensation for labor or **personal services** performed in the United States shall not be deemed to be income from sources within the United States if-

(C) the compensation for labor or services performed as an **employee** of or under contract with-

(i) a **nonresident alien**.. not engaged in a **trade or business in the United States**...”

This is also confirmed by the definition of “**personal services**” in the Treasury Regulations:

[26 C.F.R. Sec. §1.469-9 Rules for certain rental real estate activities.](#)

(b)(4) PERSONAL SERVICES.

Personal services means any work performed by an individual in connection with a **trade or business**. However, personal services do not include any work performed by an individual in the individual's capacity as an investor as described in section 1.469-5T(f)(2)(ii).

8. The method of computing gain or loss (profit) from the EQUAL exchange of one's labor for its Fair Market Value is found in [26 U.S.C. §1001](#):

[TITLE 26](#) > [Subtitle A](#) > [CHAPTER 1](#) > [Subchapter O](#) > [PART 1](#) > § 1001
[§ 1001. Determination of amount of and recognition of gain or loss](#)

(a) Computation of gain or loss

The gain from the sale or other disposition of **property** [including LABOR] shall be the excess of the amount realized therefrom over the adjusted basis [Fair Market Value] provided in section [1011](#) for determining gain, and the loss shall be the excess of the adjusted basis provided in such section for determining loss over the amount realized.

9. Moreover, the law and the regulations govern what the Secretary or his alleged Delegates can do with regard to the calculation of "Gross Income" as previously cited in [26 U.S.C. §§83, 212, 1001, 1011, and 1012](#) above.

*"The regulations...now govern, and will continue to govern, the abbreviated application process. See Fort Stewart Schools v. FLRA, 495 U.S. 641, 654, 110 S.Ct. 2043, 2051, 109 L.Ed.2d. 659 (1990). **No matter what an agency said in the past, or what it did not say, after an agency issues regulations it must abide by them.**"*
[Schering Corp. v. Shalala, 995 F.2d. 1103 (D.C.Cir. 1993)]

10. The plain language of [26 U.S.C. §83](#) states that when compensation is received in [exchange] for services rendered, ONLY the "excess" of the "property" [compensation] over the "amount paid" [labor] in costs is to be included in gross income:

[§ 83. Property transferred in connection with performance of services](#)

(a) General rule

If, in connection with the performance of services [labor], property is transferred [compensation] to **any person** [employee] other than the person for whom such services are performed [employer], the **excess of—**

(1) **the fair market value of such property** [compensation] (determined without regard to any restriction other than a restriction which by its terms will never lapse) at the first time the rights of the person having the beneficial interest in such property are transferable or are not subject to a substantial risk of forfeiture, whichever occurs earlier, **over**

(2) **the amount** (if any) paid [labor] for such property [compensation], **shall be included in the gross income of the person who performed such services** [employee] in the first taxable year in which the rights of the person having the beneficial interest in such property are transferable or are not subject to a substantial risk of forfeiture, whichever is applicable. The preceding sentence shall not apply if such person sells or otherwise disposes of such property in an arm's length transaction before his rights in such property become transferable or not subject to a substantial risk of forfeiture.

11. Here is the formula for [26 U.S.C. § 83](#):

11.1. "Gross Income" = "Excess"; and

11.2. "Excess" = ("property")—(the "amount paid")... or

11.3. "Excess"=("compensation")---(value of labor)

12. The "amount paid" is defined in [26 C.F.R. §1.83-3\(g\)](#) as: definition of cost:

[26 C.F.R. §1.83-3\(g\)](#)

(g) Amount paid.

For purposes of section 83 and the regulations thereunder, the term "amount paid" refers to the value of any money or property [labor is property.] paid for the transfer of property [compensation] to which section 83 applies...

- 1 13. The value of the “amount paid” [labor] is determined by what the private employer paid for the services [labor]
2 rendered. [26 C.F.R. §1.83-3\(g\)](#) is all inclusive and includes “any money or property.”
3 14. The fair market value (“FMV”) of property (“amount paid” or “labor”) is established through the terms of an
4 “arm’s length transaction.”²³
5 15. To confirm that this understanding is correct, we can come to the same conclusion by reviewing other sections of the
6 IRC and the regulations thereunder.
7 16. To properly calculate what constitutes “Gross Income”, pursuant to [26 U.S.C. § 83](#), one needs to know “the amount
8 paid” (cost of labor) so it can be excluded from the “property” (compensation) in order to calculate the “excess”
9 [profit] which is to be included in the “Gross Income”. To determine these factors, one must turn to the regulations:

10 *“If property [compensation] to which 1.83-1 applies is transferred [from employer to employee] at an arm’s*
11 *length [Blacks law pg. 109], the basis [cost of labor] of the property [compensation] in the hands of the transferee*
12 *[recipient or employee] shall be determined under section 1012 and the regulations thereunder”*
13 [\[26 C.F.R. § 1.83-4\(b\)\(2\)\]](#)

- 14 17. Before one can determine the “excess”, one must identify the “amount paid.”
15 18. As property, labor has a value with regard to the related compensation transaction and [26 U.S.C. §1012](#) will either
16 include or exclude said cost for labor.

17 [§ 1012. Basis of property—cost](#)

18 *The basis of property [labor] shall be the cost [compensation] of such property...*

- 19 19. The regulations confirm the basis of property:

20 [26 C.F.R. §1.1012 -1 Basis of property.](#)

21 *(a) General rule. In general, the basis of property [compensation] is the cost thereof. The cost is the amount*
22 *paid [labor] for such property [compensation] in cash or other property [labor]...*

- 23 20. Congress has cited what it considers to be a “cost”. The “amount paid for such property in cash or other
24 property”. The Secretary will take note that nothing is excluded from that which is considered by Congress to be a
25 cost. If Congress intended to exclude labor from that which is a cost, [26 U.S.C. §1012](#) would reflect such an
26 exclusion. Since it is not excluded, it is to be considered as a cost in the calculation of the “excess” which is included
27 in “Gross Income” and in the determination as to whether one has enough “gross income” to make it necessary to even
28 file a return.
29 21. The “amount paid” [labor] is the value of the cost [labor] and is also known as the “adjusted basis”. Regulations
30 require that this amount be “withdrawn” from the amount realized in the [payment for services] transaction and that it
31 be “restored to the taxpayer.”

32 [26 C.F.R. §1.1011-1 Adjusted basis.](#)

33 *The adjusted basis for determining the gain or loss from the sale or other disposition of property is the cost or*
34 *other basis prescribed in section 1012 or other applicable provisions of subtitle A of the code, adjusted to the*
35 *extent provided in sections 1016, 1017, and 1018 or as otherwise specifically provided for under applicable*
36 *provisions of internal revenue laws.*

37 _____
38 [26 C.F.R. §1.1001-1\(a\)](#)

39 *(a) ...from the amount realized upon the sale or exchange there shall be withdrawn a sum sufficient to restore the*
40 *adjusted basis prescribed by section 1011 and the regulations thereunder...The amount which remains [excess]*
41 *after the adjusted basis [cost of labor] has been restored to the taxpayer constitutes the realized gain [profit].*

- 42 22. After determining the value of property (labor) that is a cost, as defined by United States law (see [26 C.F.R. §1.1012-](#)
43 [1\(a\)](#) , and [26 C.F.R. §1.1001-1\(a\)](#)), the value of the “amount paid,” or the “adjusted basis” (labor), must be subtracted
44 from the amount realized (compensation) BEFORE including ONLY the “excess” balance which remains (if any) in

²³ See 27 C.F.R. §70.150(b); [U.S. v. Cartwright](#), 411 U.S. 546, 552 (1973); [Hicks v. U.S.](#), 335 F.Supp. 474, 481 (Colo.1971); [Pledger v. CIR](#), supra; Black’s Law Dictionary, 6th Ed., “Arm’s length transaction.”

1 “Gross Income”. The Federal 1040 type returns do not accommodate §83 in any way and therefore it is not possible
2 for any American to complete a 1040 return and claim the right as articulated by Congress in §83.

- 3 23. Again, the conclusion reached by reviewing additional sections of the IRC and the regulations thereunder, as cited
4 above, is the same conclusion articulated by Congress in 26 C.F.R. §1.83-3(g) where the “amount paid” is defined as
5 “any money or property” (labor is not excluded):

6 26 C.F.R. §1.83-3(g)

7 (g) Amount paid. For purposes of section 83 and the regulations thereunder, the term “amount paid” [labor]
8 refers to the value of any money or property [labor] paid for the transfer of property [compensation] to which
9 section 83 applies...

- 10 24. The sections of the IRC which embraces intangible personal property as a cost (see 26 U.S.C. § 1012) is calculated as
11 one’s cost when having only sold one’s labor, and 26 C.F.R. §1.83-3(g) does the same. In fact, in order to impose
12 amounts which are not to be included in “Gross Income” upon those who may be “taxpayers”, the Secretary must deny
13 even “taxpayers” their rights as identified by Congress in 26 U.S.C. §§ 83, 1011, and 1012.
14 25. The law does not exclude any property for which there is no basis from cost. The cost equals the value of any and all
15 property (labor) disposed to obtain other property (compensation), unless it is expressly excluded under 26 U.S.C. §
16 1012.
17 26. The difference between cost and income is further articulated by Congress in 26 U.S.C. §212 as follows:

18 26 U.S.C. §212. Expenses for production of income

19 *In the case of an individual, there shall be allowed as a deduction all the ordinary and necessary expenses [cost]*
20 *paid or incurred during the taxable year—*

21 *(1) for the production or collection of income;*

22 *(2) for the management, conservation, or maintenance of property held for the production of income; or*

23 *(3) in connection with the determination, collection, or refund of any tax.*

24 Since one’s own labor is not a commodity or article of commerce (see 15 U.S.C. §17), then the above does not apply to
25 earnings in connection with one’s OWN labor on one’s OWN tax return.

- 26 27. Thus a deduction is mandated (“shall”) but it is not specified how the expenses are to be deducted. Based on 26 U.S.C.
27 §83(a), the deduction [labor] is to be taken [returned to the “taxpayer”] from “such property” [compensation] to create
28 the “excess” which ONLY then is said “excess” included in “Gross Income.” **If there is no “excess” then there is no**
29 **“Gross Income.”**
30 28. As used in the cited statutes and regulations, the terms “any” or “any property” are to be construed as all-inclusive until
31 Congress “expressly” provides an exception to support the notion that such terms are not all inclusive.
32 29. There is ample case law to support the principle of statutory construction which makes the term “any property” all
33 inclusive; meaning that nothing is to be excluded by the word “any.” This is confirmed by the following cases where
34 the United States contends successfully that “any property” is all inclusive and means all property (see *U.S. v.*
35 *Monsanto*, 491 U.S. 600, 607-611 and (syllabus) (1989); *U.S. v. Alvarez-Sanchez*, 511 U.S. 350, 357 (1994) ; *U.S.*
36 *v. Gonzales*, 520 U.S. 1, 4-6 (1997) ; *Department of Housing and Urban Renewal v. Rucker*, 535 U.S. 125, 130-31
37 (2002) citing *Gonzalez* and *Monsanto*). Although these cases are not about taxes, the issue of “any property” is argued
38 by the DOJ successfully that “any property is all inclusive and means all property. Cases are quoted below:
39 30. **1989 - Monsanto (In summary)** - Heroin manufacturer Monsanto argues that he should be allowed to keep
40 enough money for attorney’s fees, but the DOJ argues successfully that “any property” is all inclusive
41 and therefore means the U.S. can seize any and all property unless Monsanto can point to a specific exclusion
42 of attorney's fees under the law. DOJ can seize everything owned by defendant. Monsanto in detail follows:

43 *“...Monsanto argues that he should be allowed to keep enough money for attorney’s fees, but the DOJ argues*
44 *successfully that “any property” is all inclusive and therefore means the U.S. can seize any and all property*
45 *unless Monsanto can point to a specific exclusion of attorney’s fees under the law. DOJ can seize everything*
46 *owned by defendant.” U.S. v. Monsanto, 491 U.S. 600, 607-611*

47 *Section 853’s language is plain and unambiguous. Congress could not have chosen stronger words to express*
48 *its intent that forfeiture be mandatory than § 853(a)’s language that upon conviction a person “shall forfeit . . .*
49 *any property” and that the sentencing court “shall order” a forfeiture. Likewise, the statute provides a broad*
50 *definition of property which does not even hint at the idea that assets used for attorney’s fees are not included.*
51 *Every Court of Appeals that has finally passed on this argument has agreed with this view. Neither the Act’s*
52 *legislative history nor legislators’ post-enactment statements support respondent’s argument that an exception*
53 *should be created because the statute does not expressly include property to be used for attorney’s fees, or*

1 *because Congress simply did not consider the prospect that forfeiture [491 U.S. 601] would reach such*
2 *property. . . . Moreover, respondent’s admonition that courts should construe statutes to avoid decision as to*
3 *their constitutionality is not license for the judiciary to rewrite statutory language. Pg. 606-611.*^{24[5]}

4 *“In determining the scope of a statute, we look first to its language.” United States v. Turkette, 452 U.S. 576, 580*
5 *(1981). In the case before us, the language of § 853 is plain and unambiguous: all assets falling within its*
6 *scope are to be forfeited upon conviction, with no exception existing for the assets used to pay attorney’s fees*
7 *— or anything else, for that matter.*

8 *As observed above, § 853(a) provides that a person convicted of the offenses charged in respondent’s indictment*
9 *“shall forfeit . . . any property” that was derived from the commission of these offenses. After setting out this*
10 *rule, § 853(a) repeats later in its text that upon conviction a sentencing court “shall order” forfeiture of all*
11 *property described in § 853(a). Congress could not have chosen stronger words to express its intent that*
12 *forfeiture be mandatory in cases where the statute applied, or broader words to define the scope of what was to*
13 *be forfeited. Likewise, the statute provides a broad definition of “property” when describing what types of assets*
14 *are within the section’s scope: “real property . . . tangible and intangible personal property, including rights,*
15 *privileges, interests, claims, and securities.” 21 U.S.C. § 853(b) (1982 ed., Supp.V). Nothing in this all-inclusive*
16 *listing even hints at the idea that assets to be used to pay an attorney are not “property” within the statute’s*
17 *meaning.*

18 *Nor are we alone in concluding that the statute is unambiguous in failing to exclude assets that could be used*
19 *to pay an attorney from its definition of forfeitable property. This argument, advanced by respondent here, see*
20 *Brief for Respondent 12-19, has been unanimously rejected by every Court of Appeals that has finally passed*
21 *on it, as it was by the Second Circuit panel below, see 836 F.2d. at 78-80; id. at 85-86 (Oakes, J., dissenting);*
22 *even the judges who concurred on statutory grounds in the en banc decision did not accept this position, see*
23 *852 F.2d. at 1405-1410 (Winter, J., concurring). We note also that the Brief for American Bar Association as*
24 *Amicus Curiae 6, frankly admits that the statute “on [its] face, broadly covers] all property derived from*
25 *alleged criminal activity and contains] no specific exemption for property used to pay bona fide attorneys’*
26 *fees.”*

27 *Respondent urges us, nonetheless, to interpret the statute to exclude such property for several reasons.*
28 *Principally, respondent contends that we should create such an exemption because the statute does not*
29 *expressly include property to be used for attorneys’ fees... In support, respondent observes that the legislative*
30 *history is “silent” on this question, and that the House and Senate debates fail to discuss this prospect. But this*
31 *proves nothing]. The fact that the forfeiture provision reaches assets that could be used to pay attorney’s fees,*
32 *even though it contains no express provisions to this effect, “does not demonstrate ambiguity” in the statute:*
33 *“It demonstrates breadth.” Sedima, S.P.R.L. v. Imrex Co., 473 U.S. 479, 499 (1985) (quoting Haroco, Inc. v.*
34 *American Nat. Bank & Trust Co. of Chicago, 747 F.2d. 384, 398 (CA7 1984)). The statutory provision at issue*
35 *here is broad and unambiguous, and Congress’ failure to supplement § 853(a)’s comprehensive phrase — “any*
36 *property” — with an exclamatory “and we even mean assets to be used to pay an attorney” does not lessen the*
37 *force of the statute’s plain language.”^{25[6]}*

38 *“As we have noted before, such post-enactment views “form a hazardous basis for inferring the intent” behind a*
39 *statute, United States v. Price, 361 U.S. 304, 313 (1960); instead, Congress’ intent is “best determined by*
40 *[looking to] the statutory language that it chooses,” Sedima, S.P.R.L., supra, at 495, n.13. . . . Finally,*
41 *respondent urges us, see Brief for Respondent 2029, to invoke a variety of general canons of statutory*
42 *construction, as well as several prudential doctrines of this Court, to create the statutory exemption he advances;*
43 *among these doctrines is our admonition that courts should construe statutes to avoid decision as to their*
44 *constitutionality. See, e.g., Edward J. DeBartolo Corp. v. Florida Gulf Coast Building & Constr. Trades Council,*
45 *485 U.S. 568, 575 (1988); NLRB. v. Catholic Bishop of Chicago, 440 U.S. 490, 500 (1979). We respect these*
46 *canons, and they are quite often useful in close cases, or when statutory language is ambiguous. But we have*
47 *observed before that such “interpretative canon[s] are] not a license for the judiciary to rewrite language*
48 *enacted by the legislature.” United States v. Albertini, 472 U.S. 675, 680 (1985). Here, the language is clear*
49 *and the statute comprehensive; § 853 does not exempt assets to be used for attorney’s fees from its forfeiture*
50 *provisions.”²⁶*
51 *[U.S. v. Monsanto, 491 U.S. 600 (syllabus) (1989)]*

- 52 31. Since the 1989 Monsanto decision regarding “any property,” three very recent decisions deal directly with the same
53 question as to how to interpret the term “any”; is it all inclusive or subject to derogation? The inclusion here of lengthy
54 excerpts is intended to offer appreciable input upon the topic.
- 55 32. **2002 - Rucker** (citing *Monsanto* and *Gonzales* in summary) - U.S. argues successfully that “innocent owner” defense
56 unavailable to co-tenant of low income housing who, although innocent, was subject to the statute’s eviction of an all-

²⁴ *U.S. v. Monsanto, 491 U.S. 600 (syllabus) (1989)*

²⁵ *Monsanto, Id.*, at 607-09.

²⁶ *Monsanto, Id.*, at 610-11

1 inclusive "any tenant" of a leased unit where prohibited activity had taken place. U.S. can evict the innocent tenant of
2 low income housing unit which is scene of prohibited behavior.

- 3 33. Here, in this unanimous 2002 decision (REHNQUIST, C. J. delivered opinion, BEYER, J. took no part) in
4 the Department of Housing and Urban Renewal v. Rucker, the Supreme Court draws upon *Monsanto* for
5 guidance in another instance hinged upon interpretation of the term "any," affirming the claim made herein.

6 "That this is so seems *evident from the plain language of the statute*. It provides that –

7 *each public housing authority shall utilize leases which ... provide that ... any drug-related criminal*
8 *activity on or off such premises, engaged in by a public housing tenant, any member of the*
9 *tenant's household, or any guest or other person under the tenant's control, shall be cause for*
10 *termination of tenancy.*

11 42 U.S.C. § 1437d(1)(6) (1994 Ed., Supp.V). The en banc Court of Appeals thought the statute did not address
12 "the level of personal knowledge or fault that is required for eviction." 237 F.3d at 1120. **Yet Congress'**
13 **decision not to impose any qualification in the statute, combined with its use of the term "any" to modify "drug-**
14 **related criminal activity," precludes any knowledge requirement.** See *United States v. Monsanto*, 491 U.S. 600, 609
15 (1989). As we have explained, **"the word 'any' has an expansive meaning, that is, 'one or some indiscriminately**
16 **of whatever kind:'"** *United States v. Gonzales*, 520 U.S. 1, 5 (1997). Thus, drug-related activity engaged in by
17 the specified persons is grounds for termination, not just drug-related activity that the tenant knew or should
18 have known about.²⁷

19 [*Department of Housing and Urban Renewal v. Rucker*, 535 U.S. 125, 130-31 (2002)]

- 20 34. **1997 - Gonzales (In summary) - U.S. argues successfully that "any" in sentencing laws is all inclusive** and therefore
21 prevents the defendants from serving federal time concurrently with other sentences, argues for more jail time and gets
22 it. More jail time for convict. Below is an excerpt from *U.S. v. Gonzales*, 520 U.S. 1, 4-6 (1997) just cited in *Dept. of*
23 *Housing & Urban Renewal v. Rucker, Id.*

24 "Our analysis begins, as always, with the statutory text. Section 924(c)(1) provides:

25 *Whoever, during and in relation to any...drug trafficking crime...for which he may be prosecuted in a*
26 *court of the United States, uses or carries a firearm, shall, in addition to the punishment provided for*
27 *such crime..., be sentenced to imprisonment for five years... Notwithstanding any other provision of*
28 *law, the court shall not place on probation or suspend the sentence of any person convicted of a*
29 *violation of this subsection, nor shall the term of imprisonment imposed under this subsection run*
30 *concurrently with any other term of imprisonment including that imposed for the...drug trafficking*
31 *crime in which the firearm was used or carried.*

32 18 U.S.C. § 924(c)(1) (emphasis added). The question we face is whether the phrase "any other term of
33 imprisonment" "means what it says, or whether it should be limited to some subset" of prison sentences, *Maine*
34 *v. Thiboutot*, 448 U.S. 1, 4 (1980) -- namely, only federal sentences. **Read naturally, the word "any" has an**
35 **expansive meaning, that is, "one or some indiscriminately of whatever kind."** *Webster's Third New International*
36 *Dictionary* 97 (1976). Congress did not add any language limiting the breadth of that word, and so we must read
37 § 924(c) as referring to all "term[s] of imprisonment," including those imposed by state courts. Cf. *United States*
38 *v. Alvarez-Sanchez*, 511 U.S. 350, 358 (1994) (noting that statute referring to "any law enforcement office?"
39 includes "federal, state, or local" officers); *Collector v. Hubbard*, 12 Wall. 1, 15 (1871) (stating "it is quite
40 clear" that a statute prohibiting the filing of suit "in any court" "includes the State courts as well as the Federal
41 courts," because "there is not a word in the [statute] tending to show that the words 'in any court' are not used
42 in their ordinary sense"). There is no basis in the text for limiting § 924(c) to federal sentences.

43 In his dissenting opinion, JUSTICE STEVENS suggests that the word "any" as used in the first sentence of §
44 924(c) "unquestionably has the meaning 'any federal.'" Post at 14. In that first sentence, however, Congress
45 explicitly limited the scope of the phrase "any crime of violence or drug trafficking crime" to those "for which
46 [a defendant] may be prosecuted in a court of the United States." Given that Congress expressly limited the
47 phrase "any crime" to only federal crimes, we find it significant that no similar restriction modifies the phrase
48 "any other term of imprisonment," which appears only two sentences later and is at issue in this case. See
49 *Russello v. United States*, 464 U.S. 16, 23 (1983) ("Where Congress includes particular language in one section
50 of a statute but omits it in another section of the same Act, it is generally presumed that Congress acts
51 intentionally and purposely in the disparate inclusion or exclusion").

52 The Court of Appeals also found ambiguity in Congress' decision, in drafting § 924(c), to prohibit concurrent
53 sentences instead of simply mandating consecutive sentences. 65 F.3d at 820. Unlike the lower court, however,
54 we see nothing remarkable (much less ambiguous) about Congress' choice of words. Because consecutive and
55 concurrent sentences are exact opposites, Congress implicitly required one when it prohibited the other. This

²⁷ *Department of Housing and Urban Renewal v. Rucker*, 535 U.S. 125, 130-31 (2002)

1 "ambiguity" is, in any event, beside the point, because this phraseology has no bearing on whether Congress
2 meant § 924(c) sentences to run consecutively only to other federal terms of imprisonment.

3 **Given the straightforward statutory command, there is no reason to resort to legislative history.** Connecticut
4 Nat. Bank v. Germain, 503 U.S. 249, 254 (1992). Indeed, far from clarifying the statute, the legislative history
5 only muddies the waters. The excerpt from the Senate Report accompanying the 1984 amendment to § 924(c),
6 relied upon by the Court of Appeals, reads:

7 [T]he Committee intends that the mandatory sentence under the revised subsection 924(c) be served
8 prior to the start of the sentence for the underlying or any other offense.

9 S.Rep. at 313-314. This snippet of legislative history injects into § 924(c) an entirely new idea -- that a defendant
10 must serve the five-year prison term for his firearms conviction before any other sentences. **This added**
11 **requirement, however, is "in no way anchored in the text of the statute."** Shannon v. United States, 512 U.S.
12 573, 583 (1994).²⁸
13 [U.S. v. Gonzales, 520 U.S. 1, 4-6 (1997)]

- 14 35. **1994 – Alvarez (In summary) - U.S. argues successfully that, because statute expressly provides for an exception**
15 **to "any," that it is not all inclusive, that a "delay" should not preclude a criminal defendant's confession or statement**
16 **to state police from being used as evidence in federal case commenced thereafter. DOJ can use confession sought to**
17 **be suppressed by criminal defendant.**

18 "Respondent contends that he was under "arrest or other detention" for purposes of § 3501(c) during the
19 interview at the Sheriff's Department, and that his statement to the Secret Service agents constituted a confession
20 governed by this subsection. **In respondent's view, it is irrelevant that he was in the custody of the local**
21 **authorities, rather than that of the federal agents, when he made the statement. Because the statute applies to**
22 **persons in the custody of "any" law enforcement officer or law enforcement agency, respondent suggests that**
23 **the § 3501(c) 6-hour time period begins to run whenever a person is arrested by local, state, or federal officers.**

24 **We believe respondent errs in placing dispositive weight on the broad statutory reference to "any" law**
25 **enforcement officer or agency without considering the rest of the statute."**²⁹
26 [U.S. v. Alvarez-Sanchez, 511 U.S. 350, 357 (1994)]

- 27 36. Thus it can be seen that any rendition of the term "any property" which does not include ALL PROPERTY is
28 inconsistent with the four cases cited above wherein the DOJ argued successfully that "any property" means all
29 inclusively, ALL PROPERTY. There is no basis in law or statutory construction which allows the Secretary to exclude
30 the value of labor from the term "any property" when Congress has not done so. The Secretary, in the Treasury
31 Regulations, makes it clear that the cost is the value of "any money or property" and the Secretary by said regulations
32 makes it clear that the value of labor cannot be excluded.
- 33 37. It is certain that **26 U.S.C. § 83(a)** applies to the calculation of an individual's compensation for labor the "excess" of
34 which is to be included in "Gross Income", as can be seen from the following Court rulings:

35 Montelepre Systemed, Inc. v. C.I.R., 956 F.2d. 496, 498 at [1] (CA5 1992): "**Section 83(a) explains how property**
36 **received in exchange for services is taxed."**

37 MacNaughton v. C.I.R., 888 F.2d. 418, 421 (CA6 1989): "**The Alves court stated that the plain language of section**
38 **83 belied this argument because the "statute applied to all property transferred in connection with the**
39 **performance of services" and because no reference is made to the term "compensation."** Id. The court further
40 concluded in Alves that "if Congress had intended section 83(a) to apply solely to restricted stock used to
41 compensate employees, it could have used much narrower language." Id. at 481-82. Upon consideration, we
42 agree with the interpretation advanced by the Alves court and, therefore, join the Ninth Circuit in holding that
43 **section 83 is not limited to stock transfers which are compensatory in nature."**

44 Pledger v. C.I.R., 641 F.2d. 287, 293 (CA5 1981): "**The taxing scheme imposed by Congress more accurately**
45 **reflects what taxpayer received as compensation than a scheme that taxes the taxpayer on merely a portion of**
46 **the compensation."**

47 Alves v. C.I.R., 734 F.2d. 478, 481 (CA9 1984): "**The plain language of section 83(a) belies Alve's argument.**
48 **Section 83(a) applies to all property transferred in connection with the performance of services. No reference**
49 **is made to the term "compensation."** Nor is there any statutory requirement that property have a fair market
50 value in excess of the amount paid at the time of transfer. **Indeed, if Congress had intended section 83(a) to apply**
51 **solely to restricted stock used to compensate its employees, it could have used much narrower language. Indeed,**

²⁸ U.S. v. Gonzales, 520 U.S. 1, 4-6 (1997)

²⁹ U.S. v. Alvarez-Sanchez, 511 U.S. 350, 357 (1994)

1 Congress made section 83(a) applicable to all restricted "property," not just stock; to property transferred to
2 "any person," not just to employees; and to property transferred "in connection with . . . services," not just
3 compensation for employment. See *Cohn v. Commissioner*, 73 U.S.T.C. 443, 446-47 (1979)."

4 *Klingler Electric Co. v. C.I.R.*, 776 F.Supp. 1158, 1164 at [1] (S.D.Miss. 1991): "Section 83(a) applies to all
5 property transferred in connection with the performance of services."

6 *Robinson v. C.I.R.*, 82 U.S.T.C. 444, 459 (1984); The legislative history of section 83 does not require the
7 conclusion that the statute should be applied to tax-avoidance techniques only. To the contrary, the House and
8 Senate reports specifically delineate transactions and transfers to which section 83 was not to apply and do not
9 exclude from its purview contractual provisions that were not tax motivated."

10 *Cohn v. C.I.R.*, 73 U.S.T.C. 443, 446 (1979): "Petitioners rest their entire case on the proposition that Elovich
11 and Cohn and/or Mega were "independent contractors" and not employees of the Integrated and that, therefore,
12 section 83 does not apply to the acquisition of the shares from Integrated. They rely on the legislative history
13 surrounding the statute to support their proposition that section 83 was intended to apply only to restricted stock
14 transferred to employees. Respondent contends that the words "any person" in section 83(a) encompass
15 independent contractors as well as employees. We agree with Respondent. . . . We reject petitioner's argument.
16 While restricted stock plans involving employers and employees may have been the primary impetus behind the
17 enactment of section 83, the language of the section covers the transfer of any property transferred in
18 connection with the performance of services "to any person other than the person for whom the services are
19 performed." (Emphasis added.) The legislative history makes clear that Congress was aware that the statute's
20 coverage extended beyond restricted stock plans for employees. H.Rept. 91-413 (Part 1) (1969), 1969-3 C.B.
21 200, 255; S.Rept. 91-552 (1969), 1969-3 C.B. 423, 501. The regulations state that that section 83 applies to
22 employees and independent contractors (sec. 1.83-1(a), Income Tax Regs.). There is no question but that, under
23 the foregoing circumstances, these regulations are not "unreasonably and plainly inconsistent with the revenue
24 statutes." Consequently, they are sustained. (cites omitted)"

25 Concurring with Cohn, Alves, see *Centel Communications Co. v. CIR*, 920 F.2d. 1335, 1342 (CA7 1990).
26 Annotations / Public Law

- 27 38. No Federal and/or STATE 1040 type returns, forms, schedules or worksheets accommodate § 83(a) in any way and
28 therefore it is not possible for any Citizen or Tax Professional to complete a Federal and/or STATE 1040 type return
29 and claim the rightful deductions for the value of one's labor as articulated by Congress in § 83(a). There are no
30 federal and/or STATE returns, forms, schedules or worksheets which will assist any Citizen or Tax Professional to
31 determine the amount of the "excess" which is the ONLY amount to be include in "Gross Income," pursuant to [26](#)
32 [U.S.C. § 83\(a\)](#). All returns, forms, schedules and worksheets incorrectly assume that all compensation is included in
33 "Gross Income" which is contrary to law and a violation of the Citizen's rights as articulated by Congress in § 83(a).
34 39. The Secretary has a duty to notice that a deduction is mandated ("shall") but it is not specified from where or what the
35 expenses are to be deducted. Based on [26 U.S.C. § 83](#), the deduction (labor) is to be taken from "such property"
36 (compensation) to create the "excess" which then is included in "Gross Income".
37 40. The Secretary is hereby put on notice that to deny the rights of Sovereign Americans simply for the purpose of
38 converting them into a "taxpayer" status or to exact amounts from them in excess of that which is provided by law is
39 criminal conversion and United States law mandates filing of a criminal complaint, pursuant to [18 U.S.C. § 4](#), against
40 the Secretary and his subordinates pursuant for any violation of United States law or denial of rights.
41 41. The IRS and the State exclude from cost one's services merely upon the fact that it is property within which one has no
42 basis, but such exclusion is unauthorized under provisions which embrace ALL property as a cost. The IRS and the
43 State must violate §§ 83, 212, 1001, 1011, and 1012 by not restoring the "adjusted basis" and allowing only the amount
44 that remains ("excess") thereafter to be taxed as "realized gain," as required under 26 C.F.R. §1.1001-1(a). To report as
45 gross income the value of personal services the Petitioner must enter a false statement on a 1040 type return in
46 violation of [18 U.S.C. § 1001](#).

47 In conclusion, if you run into either a public servant or a judge who tries to argue with you about whether there is a cost to
48 produce labor that the laborer should be compensated for, indirectly, they are:

- 49 1. Admitting that their labor is worth *nothing*.
50 2. Receiving unjust compensation or enrichment. Anyone who paid anything for something that worth nothing has
51 benefited from unjust enrichment.

52 *Unjust enrichment doctrine. General principle that one person should not be permitted unjustly to enrich himself*
53 *at expense of another, but should be required to make restitution of or for property or benefits received, retained*
54 *or appropriated, where it is just and equitable that such restitution be made, and where such action involves no*
55 *violation or frustration of law or opposition to public policy, either directly or indirectly. Tulalip Shores, Inc. v.*
56 *Moriland, 9 Wash.App. 271, 511 P.2d. 1402, 1404. Unjust enrichment of a person occurs when he has and retains*

1 money or benefits which in justice and equity belong to another. *L & A Drywall, Inc. v. Whitmore Cons. Co.,*
2 *Inc., Utah, 608 P.2d. 626, 630.*

3 *Three elements must be established in order to sustain a claim based on unjust enrichment: A benefit conferred*
4 *upon the defendant by the plaintiff; and appreciation or knowledge by the defendant of the benefit; and the*
5 *acceptance or retention by the defendant of the benefit under such circumstances as to make it inequitable for the*
6 *defendant to retain the benefit without the payment of its value. Everhart v. Miles, 47 Md.App. 131, 136, 422*
7 *A.2d 28. See also Quantum meruit.*

8
9 *Unjust enrichment. Retention of a benefit conferred by another without offering compensation in circumstances*
10 *where compensation is reasonably expected. A benefit obtained from another not intended as a gift and not*
11 *legally justifiable for which the beneficiary must make restitution or recompense. The area of law dealing with*
12 *unjustifiable benefits of this kind.*
13 *[Black's Law Dictionary, Seventh Edition, p. 1536]*

- 14 3. Asking for a pay cut and are admitting they are paid too much.
15 4. Admitting the corporations, which routinely deduct the cost of labor from their earnings in computing corporate profits,
16 are being given favored status and that you are not entitled to the same equal protection. This violates the requirement
17 for equal protection of the law mandated in Fourteenth Amendment Section 1.

18 Therefore, tell them their labor isn't worth anything and that the government pays them too much and that they should refund
19 all their pay and benefits. After all, if it *isn't* an equal exchange of value, any amount of money accepted for it amounts to
20 STEALING from the government. For any public servant or judge who tries to contradict the contents of this section, ask
21 them the following questions:

- 22 1. Since § 83(a) is applicable to amounts now sought to be included in gross income, it is clear that someone is in violation
23 of the law, but silence abounds. Does it apply, and, if so, how does it operate and how is the one to comply with § 83(a)
24 in the future?
25 2. Where, under §§ 83 and 1012, and 26 C.F.R. §1.83-3(g) , does it provide that only property within which one has a basis
26 is to be recognized as a cost or, that intangible personal property is excluded from that which is cost?
27 3. If such exclusions alluded to in ¶ Where, under §§ 83 and 1012, and 26 C.F.R. §1.83-3(g) , does it provide that only
28 property within which one has a basis is to be recognized as a cost or, that intangible personal property is excluded from
29 that which is cost? above do not exist, can “income tax” approach such property’s FMV, as contemplated under §83(a)
30 and the regulations thereunder?
31 4. In consideration of these provisions, is the FMV of labor (contract value) appropriately termed “gain derived from labor”?
32 5. Is the FMV of labor excluded from gross income by law? (See § 83, 212, 1001, 1012; 26 C.F.R. §1.83-3(g)). If so, by
33 what authority?
34 6. Can a Court order the exclusion from cost of property within which one has no basis when such exception to cost cannot
35 be found in statute or in regulation, especially when it constitutes the difference between paying a tax and not even being
36 subject to it?
37 7. Can the United States claim in one case that “any property” means all property and in another case argue that “any
38 property” lawfully excludes certain things not recorded, mentioned, or manifest in law?
39 8. Would such accounting offend the holdings in *Monsanto, Gonzales, Alvarez, and Rucker*? If not, upon what basis in law
40 can it not be so offended?

41 **5.6 How much can we exclude and how do we take the exclusion?**

42 Pursuant to [26 U.S.C. §83](#) and the regulations thereunder, we can lawfully exclude the Fair Market Value of our labor from
43 “gross income” on our personal tax return. The fair market value of your labor is whatever anyone is willing to pay for it in
44 the context of an “arm’s length transaction”.³⁰ For instance, if you work for a private employer and they are willing to pay
45 you \$20 per hour in exchange for your labor, then it is worth \$20 to that employer. If you want to see how the IRS regulates
46 and tracks the various market segments, see:

Audit Techniques Guides (ATGs), Internal Revenue Service

³⁰ See 27 C.F.R. §70.150(b); *U.S. v. Cartwright*, 411 U.S. 546, 552 (1973); *Hicks v. U.S.*, 335 F.Supp. 474, 481 (Colo.1971); *Pledger v. CIR*, supra; Black’s Law Dictionary, 6th Ed., “Arm’s length transaction.”

1 How do we perform this deduction for our personal, private labor that is not connected to a business that we run?:

- 2 1. There is no place on IRS Schedule C for this exclusion of PRIVATE, PERSONAL labor, so we can't put it there. Only
3 labor from the people we hire in the context of a federal instrumentality and "public office" belongs there.
- 4 2. The amount to exclude belongs directly on the IRS Form 1040NR, but IRS CONVENIENTLY and DECEPTIVELY
5 puts no place for this.
- 6 3. The amount is excluded from "gross income" BEFORE we write it on line 8 of IRS Form 1040NR as "wages", tips,
7 and other compensation". See:
8 <http://famguardian.org/TaxFreedom/Forms/IRS/IRSForm1040nr-Amended.pdf>
- 9 4. The amount excluded, unlike every other type of exclusion on a tax return, is NOT a "trade or business" deduction. It
10 is a exclusion relating to the exercise of *rights*, which cannot lawfully be made into "privilege". The exclusion would
11 therefore *not* go in the Adjusted Gross Income section because everything there is related to [26 U.S.C. §162](#) "trade or
12 business" deductions, which a nonresident alien not engaged in a "trade or business" cannot lawfully take. A "trade or
13 business" is defined in [26 U.S.C. §7701\(a\)\(26\)](#) as "the functions of a public office". See:

The "Trade or Business" Scam, Form #05.001

<http://sedm.org/Forms/FormIndex.htm>

- 14 5. Therefore, the exclusion must come directly from "wages" appearing on the W-2's and then the resulting computation
15 would be entered in block 8 of the 1040NR form. This will likely cause the IRS to try to indicate that there is a "math
16 error" if you don't explain why you did this, which is why it is a good idea to put an asterisk next to the "wages" block
17 8 and attach a note of explanation to the tax return such as this document.

18 The above technique is very similar to the way church ministers record their "gross income" and file tax returns:

- 19 1. [26 U.S.C. §3401\(a\)\(9\)](#) specifically EXCLUDES all the earnings of ministers from "gross income" and "wages" that are
20 reportable on an IRS Form W-2.
- 21 2. Typically, churches INCORRECTLY report the full amount of the ministers earnings on a W-2 and he must reduce
22 this to ZERO based on [26 U.S.C. §3401\(a\)\(9\)](#).
- 23 3. There is no way to indicate this exclusion of the full amount of "wages" on the 1040 or 1040NR form, so what church
24 ministers typically must do is put ZERO there and then attach a note of explanation why this is the case. IRS doesn't
25 put it on the form because it doesn't want to "advertise" that ministers don't owe tax. This type of "omission" is how
26 they deceive many ministers into unlawfully paying tax on the full amount of their earnings. This technique, by the
27 way, isn't even mentioned in IRS Publication 1828 or IRS Publication 517, because they DON'T WANT MINISTERS
28 KNOWING ABOUT IT. THIEVES!
- 29 4. In order for ministers to even learn about this scam, they must do one of the following:
30 4.1. Call up the IRS and prod them about this before the IRS will finally, if EVER, tell them the truth on this subject.
31 Even then, many very deliberately are never told the truth by the IRS. Scumbags.
32 4.2. To hear about it from another minister.
33 4.3. To read the Internal Revenue Code himself, which few do. Sometimes they do read the code and tell their elder
34 board or church about this so that they can correct the W-2 form to read ZERO. Even after being shown the law,
35 some churches out of fear STILL incorrectly report "wages" of the minister on the W-2, even when they do not
36 have a W-4 on file. This, by the way, is a violation of rights and subjects the person filling out the false W-2 to a
37 civil tort under [26 U.S.C. §7434](#).
38 4.4. To read the publications of the Ministers and Missionaries Benefit Board: Tax Guide for Ministers Filing Returns
39 <http://www.mmbb.org>

40 And WHAT form should this exclusion appear on?

- 41 1. The IRS Form 1040 would be an inappropriate form to take this deduction on because:
42 1.1. The IRS Published Products Catalog, Document 7130, says the IRS Form 1040 is for "citizens and residents" of
43 the United States. Persons domiciled in states of the Union are NOT "citizens and residents", but nonresident
44 aliens. See:
45 1.1.1. *IRS Document 7130*: <http://famguardian.org/TaxFreedom/Forms/IRS/IRSDoc7130.pdf>
46 1.1.2. *Why You are a "national", "state national", and Constitutional but not Statutory Citizen*, Form #05.006
47 <http://sedm.org/Forms/05-MemLaw/WhyANational.pdf>

1 1.2. Everything that goes on an IRS Form 1040 is related to a “trade or business” (public office) in the United States
2 (District of Columbia). No one domiciled in a state of the Union not engaged in a “trade or business” is within
3 the “United States” as legally defined. The only deductions indicated on the IRS 1040 form are those in
4 connection with a “trade or business” pursuant to [26 U.S.C. §162](#), and those not engaged in a “trade or business”
5 cannot take such deductions. See:

The “Trade or Business” Scam, Form #05.001
<http://sedm.org/Forms/FormIndex.htm>

- 6 2. The IRS Form 1040NR is used by nonresident aliens such as those domiciled in states of the Union.
7 2.1. It includes an area for earnings not connected with a “trade or business” on Schedule OI, but . . .
8 2.2. Nonresident aliens cannot take “trade or business” deductions against earnings not connected with a “trade or
9 business” and the Schedule OI does not allow for deductions of any kind for nonresident aliens.
10 3. Because there is no place to take this NON “trade or business” EXCLUSIONS on the IRS Forms 1040 or 1040NR, you
11 must do one of the following:
12 3.1. Create and submit your own SUBSTITUTE IRS Form 1040NR.
13 3.2. Create and submit your own worksheet showing how you computed “gross income” and attach it to your return.
14 See the following attachment for our attempt to do so:

1040NR Attachment, Form #09.077
<https://sedm.org/Forms/09-Procs/1040NR-Attachment.pdf>

15 Let us now graphically illustrate the computation process to arrive at “gross income” that would be entered directly on a tax
16 return. Below is a table that illustrates the process:
17

Table 6: Calculating net "gross income" to put on Line 8 of an IRS Form 1040NR

#	Description	Value	Authorities
1	Gross revenues/receipts	\$	
2	Deductions from gross income	NA	
2.1	Gross earnings of ministers of the gospel	\$	26 U.S.C. §107, 3401(a)(9) , and 3121(a)(8)(A)
2.3	Fair Market Value (FMV) of all goods sold (also called Cost of Goods Sold)	\$	26 U.S.C. §§83, 1001
2.4	Fair Market Value of all labor provided under contract to third parties	\$	26 U.S.C. §§83, 1001
2.5	Gifts received	\$	26 U.S.C. §2503(b)
2.6	Value of stocks exchanged for other stocks of EQUAL value	\$	26 U.S.C. §1032
2.7	Value of insurance policies exchanged for other insurance policies of EQUAL value	\$	26 U.S.C. §1035
2.8	Value of real property exchanged for other real property of EQUAL value	\$	26 U.S.C. §1038
2.9	Property and money received in divorce settlements	\$	26 U.S.C. §1041
3	TOTAL EXCLUSIONS	\$	Add lines 2.1 through 2.9. NOTE: These are NOT "trade or business" deductions pursuant to 26U.S.C. §162 and therefore do not make the person into a "public officer". See: <i>The "Trade or Business" Scam</i> , Form #05.001 http://sedm.org/Forms/05-MemLaw/TradeOrBusScam.pdf
4	NET " GROSS INCOME " ON TAX RETURN	\$	Subtract item 3 from item 1. This is the value of "gross income" identified in 26 U.S.C. §61 and is placed on line 7 of the IRS Form 1040.

It is to be noted that most of the exclusions from gross revenue above appearing in items 2.1 through 2.9 relate to PROPERTY, of one kind or another. The only exception is item 2.1, because ministers are specifically exempted from taxation because of the First Amendment, Constitutional requirement for "separation of church and state".

***The mixing of government and religion can be a threat to free government, even if no one is forced to participate.** When the government puts its imprimatur on a particular religion, it conveys a message of exclusion to all those who do not adhere to the favored beliefs.[9] A government cannot [505 U.S. 607] be premised on the belief that all persons are created equal when it asserts that God prefers some. Only "[a]nquish, hardship and bitter strife" result "when zealous religious groups struggl[e] with one another to obtain the Government's stamp of approval." Engel, 370 U.S. at 429; see also Lemon, 403 U.S. at 622-623; Aguilar v. Felton, 473 U.S. 402, 416 (1985) (Powell, J., concurring).[10] Such a struggle can "strain a political system to the breaking point." Walz v. Tax Commission, 397 U.S. 664, 694 (1970) (opinion of Harlan, J.).*

***When the government arrogates to itself a role in religious affairs, it abandons its obligation as guarantor of democracy. Democracy requires the nourishment of dialogue and dissent, while religious faith puts its trust in an ultimate divine authority above all human deliberation. When the government appropriates religious truth, it "transforms rational debate into theological decree."** Nuechterlein, Note, *The Free Exercise Boundaries of Permissible Accommodation Under the Establishment Clause*, 99 Yale L.J. 1127, 1131 (1990). Those who disagree no longer are questioning the policy judgment of the elected but the rules of a higher authority who is beyond reproach. [505 U.S. 608]*

Madison warned that government officials who would use religious authority to pursue secular ends

exceed the commission from which they derive their authority, and are Tyrants. The People who submit to it are governed by laws made neither by themselves nor by an authority derived from them, and are slaves.

Memorial and Remonstrance against Religious Assessments (1785) in The Complete Madison 300 (S. Padover, ed.1953). Democratic government will not last long when proclamation replaces persuasion as the medium of political exchange.

*Likewise, we have recognized that "[r]eligion flourishes in greater purity, without than with the aid of Gov[ernment]."[11] Id. at 309. To "make room for as wide a variety of beliefs and creeds as the spiritual needs of man deem necessary," Zorach v. Clauson, 343 U.S. 306, 313 (1952), the government must not align itself with any one of them. **When the government favors a particular religion or sect, the disadvantage to all others is obvious, but even the favored religion may fear being "taint[ed]... with a corrosive secularism."** *Grand Rapids School Dist. v. Ball*, 473 U.S. 373, 385 (1985). **The favored religion may be compromised as political figures reshape the religion's beliefs for their own purposes; it may be reformed as government largesse brings government regulation.**[12] Keeping religion in the hands of private groups minimizes state intrusion on*

1 religious choice, and best enables each religion to "flourish according to the [505 U.S. 609] zeal of its adherents
2 and the appeal of its dogma." *Zorach*, 343 U.S. at 313.

3 *It is these understandings and fears that underlie our Establishment Clause jurisprudence. We have believed that*
4 **religious freedom cannot exist in the absence of a free democratic government, and that such a government**
5 **cannot endure when there is fusion between religion and the political regime.** *We have believed that religious*
6 *freedom cannot thrive in the absence of a vibrant religious community, and that such a community cannot prosper*
7 *when it is bound to the secular. And we have believed that these were the animating principles behind the adoption*
8 *of the Establishment Clause. To that end, our cases have prohibited government endorsement of religion, its*
9 *sponsorship, and active involvement in religion, whether or not citizens were coerced to conform.*
10 [*Lee v. Weisman*, 505 U.S. 577 (1992)]

11 All we are doing in this section in arriving at "gross income" is applying the same exclusionary rules to LABOR as property
12 that apply to all other forms of PROPERTY, whether they be real estate, stocks, bonds, etc. The reason for doing this, once
13 again, is that the income tax is NOT a direct tax upon "property", according to the U.S. Supreme Court. It is instead a tax on
14 profits in connection with the exercise of corporate privileges, of which a "trade or business" (a "public office" as defined in
15 26 U.S.C. §7701(a)(26)) is one type of "corporate privilege":

16 "*As repeatedly pointed out by this court, the Corporation Tax Law of 1909. imposed an excise or privilege tax,*
17 **and not in any sense, a tax upon property or upon income merely as income.** *It was enacted in view of the*
18 *decision of Pollock v. Farmer's Loan & T. Co., 157 U.S. 429, 29 L.Ed. 759, 15 Sup.St.Rep. 673, 158 U.S. 601, 39*
19 *L.Ed. 1108, 15 Sup.Ct.Rep. 912, which held the income tax provisions of a previous law to be unconstitutional*
20 *because amounting in effect to a direct tax upon property within the meaning of the Constitution, and because*
21 *not apportioned in the manner required by that instrument."*
22 [*U.S. v. Whiteridge*, 231 U.S. 144, 34 S.Sup.Ct. 24 (1913)]

23 "**We must reject in this case, as we have rejected in cases arising under the Corporation Excise Tax Act of**
24 **1909 (Doyle, Collector, v. Mitchell Brothers Co., 247 U.S. 179, 38 Sup.Ct. 467, 62 L.Ed.--), the broad**
25 **contention submitted on behalf of the government that all receipts—everything that comes in**
26 **[COMPENSATION FOR LABOR, for INSTANCE]-are income within the proper definition of the term 'gross**
27 **income,' and that the entire proceeds of a conversion of capital assets, in whatever form and under whatever**
28 **circumstances accomplished, should be treated as gross income.** *Certainly the term "income" has no broader*
29 *meaning in the 1913 act than in that of 1909 (see Stratton's Independence v. Howbert, 231 U.S. 399, 416, 417 S.,*
30 *34 Sup.Ct. 136), and for the present purpose we assume there is no difference in its meaning as used in the two*
31 *acts."*
32 [*Southern Pacific Co. v. Lowe*, 247 U.S. 330, 335, 38 S.Ct. 540 (1918)]

33 **5.7 Involuntary Taxes on One's Own PRIVATE Labor are Slavery**³¹

34 The Thirteenth Amendment to the United States Constitution prohibits involuntary servitude and slavery of all kinds. Below
35 is the text of that amendment.

36 *U.S. Constitution*
37 [Thirteenth Amendment](#)

38 *Section 1. Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall*
39 *have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.*

40 *Section 2. Congress shall have power to enforce this article by appropriate legislation.*

41 Involuntary servitude means any kind of service or labor that is either compelled or involuntary.

42 "*You were bought at a price; **do not become slaves of men** [and government is*
43 *made up of men]."*
44 [*1 Cor. 7:23, Bible, NKJV*]

45 "*Stand fast therefore in liberty by which Christ has made us free, and **do not be entangled again with a yoke of***
46 **bondage** [to the IRS or the government]."
47 [*Gal. 5:1, Bible, NKJV*]

³¹ Adapted from Great IRS Hoax, section 5.4.9.

1 "Masters [tyrants in Washington, D.C. who are public servants that vainly think themselves to be masters], give
2 your servants what is just and fair, knowing that you also have a Master in heaven."
3 [Colossians 4:1, Bible, NKJV]

4 Slavery, we are reminded incessantly these days, was a terrible thing. In today's politically correct society, some blacks are
5 demanding reparations for slavery because their remote ancestors were slaves. Slavery is routinely used to bash the South,
6 although the slave trade began in the North, and slavery was once practiced in every state in the Union. Today's historians
7 assure us that the War for Southern Independence was fought primarily if not exclusively over slavery, and that by winning
8 that war, the North put an end to the peculiar institution once and for all.

9 Whoa! Time out! Shouldn't we back up and ask: what is slavery? It has been a while since those ranting on the subject have
10 offered us a working definition of it. They will all claim that we know good and well what it is; why play games with the
11 word? But given the adage that those who can control language can control policy, it surely can't hurt to revisit the definition
12 of slavery. There are good reasons to suspect the motives of those who won't allow their basic terms to be defined or
13 scrutinized. Here is a definition, one that will make sense of the instincts telling us that slavery is indeed an abomination:

14 *Slavery is non-ownership of one's Person and Labor.*

15 Slavery is the opposite of "liberty" or the absence of liberty. There is an excellent animation on the following website that
16 very clearly and simply defines what liberty is, which helps us understand what slavery is at the address below:

[Philosophy of Liberty](http://famguardian.org/Subjects/Freedom/Articles/PhilosophyOfLiberty-english.swf)

<http://famguardian.org/Subjects/Freedom/Articles/PhilosophyOfLiberty-english.swf>

17 Slavery, therefore, is *involuntary servitude*. When a slave is working to pay off a debt, he is called a "peon". A slave must
18 work under a whip, real or figurative, wielded by other persons, his owners, with no say in how (or even if) his labors are
19 compensated. His is a one-way contract he cannot opt out of. A slave is tied to his master (and to the land where he labors).
20 He cannot simply quit if he doesn't like it. Moreover, a slave can be bought and sold like any other commodity. Justice
21 Brewer of the U.S. Supreme Court helped us to understand *exactly* what slavery is in the case of *Clyatt v. U.S.*, 197 U.S. 207
22 (1905):

23 *"The constitutionality and scope of sections 1990 and 5526 present the first questions for our consideration.*
24 *They prohibit peonage. What is peonage? It may be defined as a state or condition of compulsory service,*
25 *based upon the indebtedness of the peon to the master. The basal fact is indebtedness. As said by Judge*
26 *Benedict, delivering the opinion in Jaremillo v. Romero, 1 N.Mex. 190, 194: 'One fact existed universally; all*
27 *were indebted to their masters. This was the cord by which they seemed bound to their masters' service.' Upon*
28 *this is based a condition of compulsory service. Peonage is sometimes classified as voluntary or involuntary,*
29 *but this implies simply a difference in the mode of origin, but not in the character of the servitude. The one*
30 *exists where the debtor voluntarily contracts to enter the service of his creditor. The other is forced upon the*
31 *debtor by some provision of law. But peonage, however created, is compulsory service, involuntary servitude.*
32 *The peon can release himself therefrom, it is true, by the payment of the debt, but otherwise the service is*
33 *enforced. A clear distinction exists between peonage and the voluntary performance of labor or rendering of*
34 *services in payment of a debt. In the latter case the debtor, though contracting to pay his indebtedness by labor*
35 *or service, and subject like any other contractor to an action for damages for breach of that contract, can elect*
36 *at any time to break it, and no law or force compels performance or continuance of the service."*
37 [Clyatt v. U.S., 197 U.S. 207 (1905)]

38 Here's another example of what slavery means, again from the U.S. Supreme Court in *Plessy v. Ferguson*, 163 U.S. 537, 542
39 (1896):

40 *"That it does not conflict with the Thirteenth Amendment, which abolished slavery and involuntary servitude,*
41 *except as a punishment for crime, is too clear for argument. Slavery implies involuntary servitude—a state of*
42 *bondage; the ownership of mankind as a chattel, or at least the control of the labor and services of one man for*
43 *the benefit of another, and the absence of a legal right to the disposal of his own person, property, and services*
44 *[in their entirety]. This amendment was said in the Slaughter House Cases, 16 Wall, 36, to have been intended*
45 *primarily to abolish slavery, as it had been previously known in this country, and that it equally forbade Mexican*
46 *peonage or the Chinese coolie trade, when they amounted to slavery or involuntary servitude and that the use of*
47 *the word 'servitude' was intended to prohibit the use of all forms of involuntary slavery, of whatever class or*
48 *name."*
49 [Plessy v. Ferguson, 163 U.S. 537, 542 (1896)]

50 When the IRS fabricates a bogus tax liability without the authority of enacted positive law creating a "liability", if they lie to
51 you about what the tax Code says, or if they try to enforce an excise tax against activities that that you aren't involved in and

1 which you have informed them under penalty of perjury that you aren't involved in, then they effectively are recruiting or
2 returning you into debt slavery and "peonage" and their activities are a federal offense in violation of 42 U.S.C. §1994 and
3 18 U.S.C. §1581. These two statutes, incidentally, unlike most other federal legislation and statutes, ***DO*** apply within states
4 of the union according to the U.S. Supreme Court in the above mentioned case. 18 U.S.C. §1593 also mandates restitution
5 for all those persons who have been recruited into slavery or involuntary servitude by their slave masters, which means that
6 we must be compensated fairly for the labor of ours that was in effect stolen from us. Why hasn't the Supreme Court
7 attempted to prevent the unconstitutional implementation of an otherwise constitutional tax law that only operates (as written)
8 within the District of Columbia and other federal territories? Because they are bought and paid for with money they are
9 STEALING from you! By acquiescing to the illegal enforcement of the Internal Revenue Code, which is otherwise
10 constitutional, you are bribing them to maintain the status quo, friends!

11 In the case of the way the corrupt IRS and an even more corrupted federal judiciary mis-enforces our laws or pretends that
12 there is a positive law federal taxing statute when in fact there isn't one, the very real slavery that results is at odds with
13 libertarian social ethics, in which all human beings have a natural right to ownership of Person and Labor. According to
14 libertarian social ethics, contracts should be voluntary and not coerced. This is sufficient for us to oppose slavery with all
15 our might. However, notice that this clear definition of slavery is a double-edged sword. There is no reference to race in the
16 above definition. That whites enslaved blacks early in our history is an historical accident; there is nothing inherently racial
17 about slavery. Many peoples have been enslaved in the past, including whites. The South, too, has no intrinsic connection
18 with slavery, given how we already noted that it was practiced in the North as well. No slaves were brought into the
19 Confederacy during its brief, five-year existence, and it is very likely that the practice would have died out in a generation or
20 two had the Confederacy won the war. The Emancipation Proclamation, in fact, freed all the slaves over which Lincoln had
21 NOT JURISDICTION.

22 It is instructive at this point to compare the status of being a "negro slave" to that of being a "taxpayer" to show you just how
23 similar they are, in fact. We have prepared a table comparing each of these two statuses to show you that they are indeed
24 synonymous:
25

1 **Table 7: "Negro Slave" v. "Taxpayer"**

Characteristic	"Negro slave"	"Taxpayer"
Slave master	Person who paid for the slave	Federal judiciary/legal profession
How recruited into slavery	Kidnapped from Africa or born of a slave father and mother.	Legal domicile is kidnapped and moved to the District of Columbia. Name is replaced with all caps "straw man" name and association with a federal employment license number called a "Social Security Number". Educated in "public" and not "private" or "Christian" schools and believing controlled media.
Slave plantation	Farm owned by slave master	District of Columbia (see 26 U.S.C. §7701(a)(39) and 26 U.S.C. §7408(c)).
Badge of slavery	Being black	Having a Social Security Number (SSN)
Result of slavery	100% ownership of person and labor	<ol style="list-style-type: none"> 1. 50% ownership of labor through taxation. 2. Political control of spending habits through tax deduction policy. 3. No personal or financial privacy.
Slavery maintained by	<ol style="list-style-type: none"> 1. Denying citizenship for slaves. 2. Denying education to slaves. 3. Denying voting rights for slaves. 4. Denying jury service for slaves. 	<ol style="list-style-type: none"> 1. Fear, ignorance, and insecurity of "taxpayers". 2. Not allowing "taxpayers" to be educated about what the laws say in the public schools or the courtroom. 3. Threat of being either not hired or fired by employer for refusing to withhold taxes. 4. Bribery of voters and jurists with public welfare programs. 5. Bribery of politicians and judges with illegal income tax revenues. 6. False media propaganda by government. 7. Lies or deceptions in IRS publications and by government servants. 8. Punishing and persecuting those who expose the truth about income taxes. 9. Turning banks and employers into "snitches" against their employees and customers. 10. Operating outside of legal jurisdiction. 11. Going after the spouse of those who drop out of the tax system and thereby use peer pressure and marriage licenses to keep people from dropping out. 12. Illegally interfering with people's property rights with liens and levies, in violation of the Fifth Amendment.
Slavery is	<p><u>Physical.</u> You must live on the master's plantation.</p> <p><u>Sexual.</u> Many male slave owners had sex with their female black slaves.</p>	<p><u>Virtual.</u> You are not restrained physically, but your life is nevertheless controlled by your slave master. You must live your life with the scraps your Master hands you after he takes whatever he wants from your income.</p> <p><u>Psychological.</u> You live in a mental prison designed to keep you unaware of the</p>

<i>Characteristic</i>	<i>“Negro slave”</i>	<i>“Taxpayer”</i>
		abuse you are suffering. This is done through lies, propaganda, and deceit by the government.
<i>Political result of slavery</i>	<ol style="list-style-type: none"> 1. Civil war. 2. Jury nullification of slavery by northern states. 3. Harboring escaped slaves by northern states. 	<ol style="list-style-type: none"> 1. Rebellion by “tax protesters”. 2. Political and legal activism to eliminate income taxes. 3. Tax avoidance. 4. Moving assets offshore to avoid taxes. 5. Prosecution of judges and lawyers who illegally enforce income taxes. 6. Expatriation to avoid tax. 7. Jury nullification of income taxes. 8. Underground economy. 9. Cash transactions. 10. Cooking the corporate books (Enron!).
<i>Result of escaping slavery/refusing to pay income taxes</i>	<ol style="list-style-type: none"> 1. Beatings on the back. 2. Being starved by slave master. 3. Being separated from family and children by being sold to another slave master. 	<ol style="list-style-type: none"> 1. Imprisonment for “tax evasion” under 26 U.S.C. §7201 2. Imprisonment for “willful failure to file” under 26 U.S.C. §7203. 3. Excessive legal fees. 4. Harassing and threatening letters from the IRS. 5. Liens on real property. 6. Levies on pay and bank accounts. 7. Abuse and “extortion under the color of law” by IRS and federal judiciary. 8. Peer pressure from spouses or destroyed families.
<i>Reason slavery was wrong</i>	Immoral	<ol style="list-style-type: none"> 1. Immoral. 2. Illegal. 3. Violates the Bible.
<i>Reason slave masters engage in slavery</i>	Economic reward	<ol style="list-style-type: none"> 1. Greed 2. Lust for power. 3. Lust for control over others.
<i>Slavery made obsolete by</i>	<ol style="list-style-type: none"> 1. Civil war 2. Mechanization of farming. 3. International trade 	<ol style="list-style-type: none"> 1. Citizenry that: 2. Is legally educated. 3. Is actively involved in politics, elections, and jury service. 4. Questions authority. 5. Litigates frequently to defend rights. 6. Is educated in “private” schools. 7. Goes to church and puts God first. 8. Has strong and stable families that help each other and don’t like big government. 9. Honors God’s model for the family, where the male is the sovereign within the family. 10. Aren’t willing to trade their freedom for a government hand-out paid for with stolen loot.

1 Finally, it is clear that when most people talk about slavery, they are referring to *chattel* slavery, the overt practice of buying,
2 selling and owning people like farm animals or beasts of burden. Are there other forms of slavery besides chattel slavery?

1 Before answering, let's review our definition above and contrast slavery with sovereignty, in the sense of sovereignty over
2 one's life. Slavery, we said, is non-ownership of Person and Labor. In that case, *sovereignty is ownership of Person and*
3 *Labor*. The basic contrast, then, is between slavery and sovereignty, and the issue is ownership. And there are two basic
4 things one can own: one's Person (one's life), and one's Labor (the fruits of one's labors, including personal wealth resulting
5 from productive labors).

6 Let us quantify the situation. A plantation slave owned neither himself nor the fruits of his labors. That is, he owned 0% of
7 Person and 0% of Labor. In an ideal libertarian order, ownership of Person and Labor would be just the opposite: 100% of
8 both. In this case, we have a method allowing us to describe other forms of slavery by ascribing different percentages of
9 ownership to Person and Labor. For example, we might say that a prison inmate owns 5% of Person and 50% of Labor.
10 Inmates are highly confined in person yet they are allowed to own wealth both inside the prison and outside. Some, moreover,
11 are allowed to work at jobs for which they are paid. When slavery was abolished, ownership of Person and Labor was
12 transferred to the slave, and he became mostly free. So let us define the following categories in terms of individual percentage
13 ownership:

14 **Table 8: Percent Ownership of Person and Labor**

#	Category	Characteristics	Equivalent political system
1	Perfect Liberty	100% ownership of Person and Labor	Pure Capitalism/Republic
2	Partial Slavery	Some % ownership of Person and Labor	Socialism/democracy
3	Chattel Slavery	0% ownership of Person and Labor	Communism/dictatorship

15 With this in mind, here is an intriguing question for our readers:

16 *How much ownership do you have in your person and your labor?*

17 Are you really free? Or are you a partial slave or peon? We are not, of course, talking about arrangements that cede a portion
18 of ownership of Person and Labor to others through voluntary contract.

19 We submit that forcible taxation on your personal income makes you a partial slave and makes the government a socialist
20 government. For if you are legally bound to hand a certain percentage of your income (the fruits of your labors) over to
21 federal, state and local governments, then from the legal standpoint you only have "some % ownership" of your person and
22 labor. The pivotal point is whether or not ownership is ceded through voluntary contract. Have you any recollection of any
23 deals you signed with the IRS promising them payment of part of your income? If not, then if 30% of your income is paid
24 in income taxes, then you have only 70% ownership of Labor. You are a slave from January through April – a very
25 conservative estimate at best, today!

26 If one wants to stand on the U.S. Constitution as one's foundation, then the 13th Amendment to the U.S. Constitution can be
27 used as an ironclad argument against a forcible direct tax on the labor of a human being. The 13th Amendment says:

28 *"Neither slavery nor involuntary servitude, except as a punishment for a crime whereof the party shall have been*
29 *duly convicted, shall exist within the United States, or any place subject to their jurisdiction. Congress shall have*
30 *the power to enforce this article by appropriate legislation."*

31 The 13th Amendment makes it very clear that we cannot legally or Constitutionally be forced into involuntary servitude. It
32 doesn't make any distinction between whether the slavery is physical or financial, but says that any kind of involuntary
33 servitude is prohibited.

34 As such, we maintain that a human being has an inalienable right to own 100 % of Person and 100% of Labor, including
35 control over how the fruits of his actions are dispensed. A human being has an inalienable right to control the compensation
36 for his labor while in the act of any service in the marketplace – e.g., digging ditches, flipping burgers, word-processing
37 documents for a company, programming computers, preparing court cases, performing surgery, preaching sermons, or writing
38 novels.

1 A forcible direct tax on the labor of a human being is in violation of this right as stated in the 13th Amendment. If we work
2 40 hours a week, and another entity forcibly conscripts 25 % of our compensation, then we argue that we have been forced
3 into involuntary servitude – slavery – for 10 of those 40 hours, and we were free for the other 30. If we could freely choose
4 to work just the 30 hours and decline to work the 10 hours, then our wills would not be violated and the 13th Amendment
5 would be honored.

6 However, Congress and the IRS claim that their Internal Revenue Code (IRC) lay direct claim to those ten hours (or some
7 stated percentage) without our consent.

8 In other words, in a free and just society, a society in which there is no slavery of any form:

- 9 • Human beings are not *forced* to work for free, in whole or in part.
- 10 • Human beings are not *slaves* to anything or anyone.
- 11 • Anyone who attempts to force us to work for free, without compensation, has violated our rights under the 13th
12 Amendment.

13 This, of course, is not the state of affairs in the United States of America at the turn of the millennium, in which:

- 14 • We labor involuntarily for at least four months out of every year for the government.
- 15 • We are, therefore, slaves for that period of time.
- 16 • The government, having forced us to work for free, without compensation, has violated the 13th Amendment.

17 Of course, what follows from all this discussion is that there is an issue about slavery. But it is *not* the issue politically correct
18 historians and activists are raising. As for reparations, we suspect many of us might be willing to let bygones be bygones if
19 we never had to pay out another dime to the IRS. We often read about how great the economy is supposedly doing. Just
20 imagine how it would flourish if human beings owned 100% of Person and Labor, and could voluntarily invest the capital
21 we currently pay to the government in our businesses, our homes, our schools, and our communities!

22 For those of you who believe that the 16th Amendment repealed, replaced, modified, appended, amended or superseded the
23 13th Amendment, you are mistaken. For an Amendment to be changed, in any way, there must be an Amendment that
24 emphatically declares this action. There is absolutely nothing in the Constitution that alters the efficacy of the 13th Amendment
25 in even the slightest way. The 16th merely allowed the government to enter the "National Social Benefits" business where it
26 finances the system with the mandatory contributions of voluntary participants. While all Americans certainly understand the
27 concept of mandatory contributions, they fail to understand the concept of voluntary participation, largely due to a very
28 effective marketing campaign on the part of our central government for several generations now since the Great Depression.
29 The 16th gave the government the power to legally enter a contractual relationship with its citizens wherein the citizen
30 *voluntarily* contributes a portion of his labor in exchange for social benefits. In order for both Amendments to peacefully
31 coexist, the contractual relationships in the system created by the 16th cannot be forced upon the citizens. For to do so would
32 be to contradict the 13th completely.

33 Two final questions, and a few final thoughts. Can we really take seriously the carplings of politically correct historians about
34 an arrangement (chattel slavery) that hasn't existed for 140 years when they completely ignore the structurally similar
35 arrangements (tax slavery) that have existed right under their noses during most of the years since. And does a governmental
36 system which systematically violates its own founding documents, and then oversees the imprisoning of those who refuse to
37 recognize the legitimacy of the violations, really have a claim on the loyalty of those who would be loyal to the ideals
38 represented in those founding documents?

39 Eventually, we have to make a decision. How long are we going to continue to put up with the present hypocritical
40 arrangements? In the Declaration of Independence is found these remarks:

41 *"... [a]nd accordingly all Experience hath shewn, that Mankind are more disposed to suffer, while Evils are*
42 *sufferable, than to right themselves by abolishing the Forms to which they are accustomed."*

43 We are accustomed to the income tax. Most people take it for granted, and don't look at fundamental issues. Yet some have
44 indeed opted out of the tax system. It is necessary, at present, to become self-employed and hire oneself out based on a
45 negotiated contract in which you determine your hourly rate and then bill for your time. Then you send your client an invoice,
46 they write a check directly to you in response, and you take the check and deposit it in your bank account; you may wish to

1 open a bank account with a name like John Smith Enterprises DBA (DBA stands for 'Doing Business As'). If the bank asks
2 for a tax-ID number, you may give your social security number. This is perfectly legal since you are not a corporation nor
3 are you required to be. Nor does the use of a government issued number contractually obligate you to participate in their
4 system.

5 We should specify here that we are discussing taxes on income resulting from personal labor, to be carefully distinguished
6 from taxes for the sale of material items, or excise taxes, both of which are usually indirect taxes on artificial entities like
7 corporations. These are an entirely separate, and *voluntary* matter, because if you don't want to pay the tax, you either don't
8 buy the good or don't register as a corporation that sells the good.

9 By advocating opting out of the income tax slavery system, we are not advocating anything illegal here; that is the most
10 surprising thing of all. The Treasury Department nailed Al Capone not because of failure to pay taxes on his personal labor
11 but for his failure to pay the excise tax on the sale of alcoholic beverages. So a plan to be self-employed that includes profit
12 from the sale of material goods should include a plan to pay all the excise taxes; you risk a prison sentence if you don't. But
13 the 13th Amendment directly prohibits anything or anyone from conscripting your person or the fruits of your physical or
14 cognitive labors; to do so is make a slave of you. You may, of course, voluntarily participate in the SSA-W2 system by free
15 choice. In this case you are required to submit to the rules as outlined in the Internal Revenue Code (IRC). And this means
16 that you will contribute a significant fraction of your labor to pay for the group benefits of the system in which you are
17 voluntarily participating.

18 Your relationship with the system technically begins with the assignment of a Social Security Number (Personal Tax ID
19 Number). This government-issued number, however, does not contractually obligate you to anything. The government cannot
20 conscript its citizens simply by assigning a number to them. Assigning the number is perfectly fine. But conscripting them in
21 the process is a serious no-no. Some people that feel strongly about the last chapters of the book of Revelation might view
22 this as pure – evil.

23 The critical point in the relationship begins when a citizen accepts a job with an IRS registered corporation. Accepting the
24 government owned SSA-W2 job marries you to the system. The payroll department has the employee fill out a W4. This
25 W4 officially notifies the employee that the job in question is officially part of the SSA-W2 system and that all job-income
26 is subject first to the rules and regulations of the IRC and then secondly to the employee. When you sign that W4 you are at
27 that point very, very married to the system.

28 So why not just decline to sign the W4?

29 You can decline to sign a W4 but this does not accomplish much nor does it un-marry you from the system. Your payroll
30 office will merely use the IRC defaults already present in the payroll software and all deductions will be based on those
31 parameters.

32 Okay, you might say, fine, I'll sign a W4 but I'll direct my payroll department to withhold zero. (You can do this for federal
33 withholding but not for social security tax.). This still does not un-marry you from the system. Your payroll department still
34 reports the gross income and deductions for your SSA-W2 job to the IRS each and every quarter. And at the end of the year
35 you will probably end up being asked to write a large check to the IRS for the group contributions you declined to pay during
36 the year. With skill and the resources in this book, you may escape this assumed but nonexistent liability.

37 You then might say, Okay, then I'll just direct my payroll office to decline to report income to the IRS.

38 Reply: they cannot legally decline to report your SSA-W2 income because of their contractual obligations under the IRC that
39 were agreed to when they established their official IRS registered corporation. The corporation can get into deep trouble by
40 violating their contract.

41 Okay, you reply in turn, I'll just get the corporation to create a non-SSA-W2 job for me.

42 Response this time: the corporation cannot do this either; their contract under the IRC requires every single employee-job in
43 that corporation to be an SSA-W2 job. This is similar to labor union practices of insisting that all jobs in a plant be union
44 jobs.

45 You retort: isn't this a government monopoly on every corporate job in America???

1 The short answer is YES.

2 So how can I legally decline to work for free?

3 The answer is to decline to be an 'employee' of an official IRS registered corporation.

4 How is that possible?

5 The answer is simple. You become an independent contractor. The Supreme Court upholds the sovereignty of the individual
6 and has declared that your "...power to contract is unlimited." Corporations hire the labors of non-employees each and every
7 day.

8 If there is an infestation of cockroaches near the employee break-room, the corporation doesn't create an SSA-W2 employee
9 exterminator job. They hire a contract exterminator to kill the bugs. When the bug-man arrives they don't hand him a W4 and
10 ask him to declare his allowances, they lead him straight to the big-fat-ugly roaches and implore him to vanquish the vermin
11 immediately. When the bug-man finishes the job he hands them an invoice for his services. And the company sends him a
12 check to pay the invoice. And nowhere on that check will you find a federal, state, county or city withholding deduction or a
13 social security deduction or a medical or dental deduction or a garnishment or an "I'll-be-needing-an-accountant-to-figure-
14 all-this-out" deduction or a "Tuesday-Save-The-Turnips-Tax" deduction. On the contrary, the bug-man receives full
15 remuneration for his service. This simple arrangement is completely legal and the IRC has zero contractual claim to any part
16 of this check (assuming the bug-man has made no contract under the IRC). And anyone or anything that attempts to forcibly
17 conscript any part of that check is violating the bug-man's rights under the 13th Amendment.

18 **5.8 26 U.S.C. 83 is a STEALTH Exclusion**³²

19 As we point out in this article and the articles below, YOUR LABOR is not an article of commerce, is not taxable to YOU,
20 and becomes an unconstitutional direct tax if it is treated as such:

Proof that Involuntary Income Taxes on Your Labor are Slavery, Form #05.055
<https://sedm.org/Forms/FormIndex.htm>

21 We won't repeat the above treatments here, but suffice it to say that the Internal Revenue Code very STEALTHILY and
22 OBTUSELY recognizes the fact that your labor is "EXCLUDED" from the constitutional definition of "income", but doesn't
23 DIRECTLY use that word to describe it so that it won't raise alarm bells and cause everyone to pull out of payroll withholding
24 by filing our W-8SUB, Form #04.231! Below is the proof:

25 1. Labor itself is PROPERTY as legally defined.

26 *Property. That which is peculiar or proper to any person; that which **belongs exclusively to one**. In the strict
27 legal sense, **an aggregate of rights which are guaranteed and protected by the government**. *Fulton Light, Heat
28 & Power Co. v. State*, 65 Misc.Rep. 263, 121 N.Y.S. 536. The term is said to extend to every species of valuable
29 right and interest. More specifically, ownership; the unrestricted and exclusive right to a thing; the right to
30 dispose of a thing in every legal way, to possess it, to use it, and to exclude everyone else from interfering with it.
31 That dominion or indefinite right of use or disposition which one may lawfully exercise over particular things or
32 subjects. The exclusive right of possessing, enjoying, and disposing of a thing. The highest right a man can have
33 to anything; being used to refer to that right which one has to lands or tenements, goods or chattels, which no
34 way depends on another man's courtesy.*

35 *The word is also commonly used to denote everything which is the subject of ownership, corporeal or incorporeal,
36 tangible or intangible, visible or invisible, real or personal, everything that has an exchangeable value or which
37 goes to make up wealth or estate. **It extends to every species of valuable right and interest, and includes real
38 and personal property, easements, franchises, and incorporeal hereditaments, and includes every invasion of
39 one's property rights by actionable wrong.** *Labberton v. General Cas. Co. of America*, 53 Wash.2d. 180, 332
40 P.2d. 250, 252, 254.*

41 *Property embraces everything which is or may be the subject of ownership, whether a legal ownership. or whether
42 beneficial, or a private ownership. *Davis v. Davis. TexCiv-App.*, 495 S.W.2d. 607. 611. Term includes not only*

³² Adapted from: *Excluded Earnings and People*, Form #14.019, Section 6; <https://sedm.org/Forms/14-PropProtection/ExcludedEarningsAndPeople.pdf>

ownership and possession but also the right of use and enjoyment for lawful purposes. *Hoffmann v. Kinealy, Mo.*, 389 S.W.2d. 745, 752.

Property, within constitutional protection, denotes group of rights inhering in citizen's relation to physical thing, as right to possess, use and dispose of it. *Cereghino v. State By and Through State Highway Commission*, 230 Or. 439, 370 P.2d. 694, 697.
[*Black's Law Dictionary, Fifth Edition, p. 1095*]

The above is DECEPTIVE, because it says “rights inhering in a citizen’s relation” but you don’t need to be a “citizen” to have CONSTITUTIONAL or PRIVATE rights. They are stealthily trying to turn CONSTITUTIONAL PRIVATE rights into STATUTORY PUBLIC privileges by making you believe that you can only have “rights” by joining the collective and becoming a member called a “citizen” or “resident”. Thus, they want you to DONATE ALL your PRIVATE rights to the government!

2. 26 U.S.C. §83(a) says the following:

[26 U.S. Code § 83 - Property transferred in connection with performance of services](#)

(a) General rule

If, in connection with the performance of services, **property is transferred to any person other than the person for whom such services are performed, the excess of—**

(1) the fair market value of such property (determined without regard to any restriction other than a restriction which by its terms will never lapse) at the first time the rights of the person having the beneficial interest in such property are transferable or are not subject to a substantial risk of forfeiture, whichever occurs earlier, over

(2) the amount (if any) paid for such property, shall be included in the gross income of the person who performed such services in the first taxable year in which the rights of the person having the beneficial interest in such property are transferable or are not subject to a substantial risk of forfeiture, whichever is applicable. The preceding sentence shall not apply if such person sells or otherwise disposes of such property in an arm’s length transaction before his rights in such property become transferable or not subject to a substantial risk of forfeiture.

3. Within the above the word “property” includes any kind of consideration INCLUDING lawful money.
4. When they say “any person other than the person for whom such services are performed” above, the person actually PERFORMING the labor or service AND anyone who hired them if it wasn’t them personally would be included.
5. When they use the phrase “the excess of”, they are referring to subtracting the VALUE of the property from its FAIR MARKET value to compute PROFIT, even though they don’t call it that. Thus, only PROFIT from the labor or service is taxed as “gross income”.
6. If they didn’t make only PROFIT in connection with labor or services taxable, they would be instituting a DIRECT tax upon PROPERTY, which is unconstitutional because it is SLAVERY in violation of the Thirteenth Amendment:

*“Before the Sixteenth Amendment Congress could not levy a direct tax without apportionment among the states. Pollock v. Farmers’ Loan Trust Co., 157 U.S. 429, 15 S.Ct. 673, 39 L.Ed. 759, Id., 158 U.S. 601, 15 S.Ct. 912, 39 L.Ed. 1108. **The Amendment allows a tax on “income” without apportionment, but an unapportioned direct tax on anything that is not income would still, under the rule of the Pollock case, be unconstitutional.**”*

[. . .]

The first question is: which definition of income is controlling, that of Congress or that of the Supreme Court? Since the judiciary is traditionally charged with the responsibility of interpreting the Constitution, we shall assume, for the purposes of this decision only, that, because the Sixteenth Amendment is limited to income, Congress may not tax directly without apportionment that which the Supreme Court does not so define.

The conflict centers around two different interpretations of the definition of income in [Eisner v. Macomber, supra](#). In *Central R. Co. of New Jersey v. Commissioner*, 3 Cir., *supra*, the case upon which the nontaxability of punitive damages is based, the court treated the definition as if the Supreme Court had intended it to be all inclusive. Since the gain involved in that case did not fall within the definition it could not be income and was, therefore, not taxable. In *General American Investors Co. v. Commissioner*, 2 Cir., *supra*, the court thought that the Supreme Court did not intend that the definition be all inclusive. The court there admitted that the gain involved did not fall within the Eisner definition but it nevertheless held that it was taxable income.
[[Commissioner of Int. Rev. v. Obear-Nester Glass](#), 217 F.2d. 56 (7th Cir. 1954)]

The above is entirely consistent with the definition of CONSTITUTIONAL “income” as defined by the U.S. Supreme Court:

1 “We must reject in this case, as we have rejected in cases arising under the Corporation Excise Tax Act of 1909
2 (Doyle, Collector, v. Mitchell Brothers Co., 247 U.S. 179, 38 Sup.Ct. 467, 62 L.Ed.--), the broad contention
3 submitted on behalf of the government that all receipts—everything that comes in—are income within the proper
4 definition of the term ‘gross income,’ and that the entire proceeds of a conversion of capital assets, in whatever
5 form and under whatever circumstances accomplished, should be treated as gross income. Certainly the term
6 “income’ has no broader meaning in the 1913 act than in that of 1909 (see Stratton’s Independence v. Howbert,
7 231 U.S. 399, 416, 417 S., 34 Sup. Ct. 136), and for the present purpose we assume there is not difference in its
8 meaning as used in the two acts.”
9 [Southern Pacific Co., v. Lowe, [247 U.S. 330](#), 335, 38 S.Ct. 540 (1918)]

10 “As repeatedly pointed out by this court, the Corporation Tax Law of 1909. imposed an excise or privilege tax,
11 and not in any sense, a tax upon property or upon income merely as income. It was enacted in view of the
12 decision of Pollock v. Farmer’s Loan & T. Co., 157 U.S. 429, 29 L.Ed. 759, 15 Sup.St.Rep. 673, 158 U.S. 601,
13 39 L.Ed. 1108, 15 Sup.Ct.Rep. 912, which held the income tax provisions of a previous law to be
14 unconstitutional because amounting in effect to a direct tax upon property within the meaning of the
15 Constitution, and because not apportioned in the manner required by that instrument.”
16 [U.S. v. Whiteridge, [231 U.S. 144](#), 34 S.Sup. Ct. 24 (1913)]

17 “The Sixteenth Amendment declares that Congress shall have power to levy and collect taxes on income, “from
18 [271 U.S. 174] whatever source derived,” without apportionment among the several states and without regard to
19 any census or enumeration. It was not the purpose or effect of that amendment to bring any new subject within
20 the taxing power. Congress already had power to tax all incomes. But taxes on incomes from some sources had
21 been held to be “direct taxes” within the meaning of the constitutional requirement as to apportionment. Art. 1, §
22 2, cl. 3, § 9, cl. 4; Pollock v. Farmers’ Loan & Trust Co., 158 U.S. 601. The Amendment relieved from that
23 requirement, and obliterated the distinction in that respect between taxes on income that are direct taxes and
24 those that are not, and so put on the same basis all incomes “from whatever source derived.” Brushaber v. Union
25 P. R. Co., 240 U.S. 1, 17. “Income” has been taken to mean the same thing as used in the Corporation Excise
26 Tax Act of 1909, in the Sixteenth Amendment, and in the various revenue acts subsequently passed. Southern
27 Pacific Co. v. Lowe, 247 U.S. 330, 335; Merchants’ L. & T. Co. v. Smetanka, 255 U.S. 509, 219. After full
28 consideration, this Court declared that income may be defined as gain derived from capital, from labor, or
29 from both combined, including profit gained through sale or conversion of capital. Stratton’s Independence v.
30 Howbert, 231 U.S. 399, 415; Doyle v. Mitchell Brothers Co., 247 U.S. 179, 185; Eisner v. Macomber, 252 U.S.
31 189, 207. And that definition has been adhered to and applied repeatedly. See, e.g., Merchants’ L. & T. Co. v.
32 Smetanka, supra; 518; Goodrich v. Edwards, 255 U.S. 527, 535; United States v. Phellis, 257 U.S. 156, 169;
33 Miles v. Safe Deposit Co., 259 U.S. 247, 252-253; United States v. Supplee-Biddle Co., 265 U.S. 189, 194; Irwin
34 v. Gavit, 268 U.S. 161, 167; Edwards v. Cuba Railroad, 268 U.S. 628, 633. In determining what constitutes
35 income, substance rather than form is to be given controlling weight. Eisner v. Macomber, supra, 206. [271 U.S.
36 175]”
37 [Bowers v. Kerbaugh-Empire Co., [271 U.S. 170](#), 174, (1926)]

38 None of the above cases have been overruled. They all define CONSTITUTIONAL “income” as PROFIT, not the full market
39 value of labor that appears on the W-4 form as “wages”.

40 We can also see that what 26 U.S.C. §83 recognizes is the EXCLUDABILITY of “labor” or the “COST OF LABOR” or the
41 “FAIR MARKET VALUE OF LABOR” from “profit” or “income”. If it acts like a duck, walks like a duck, and quacks like
42 a duck, then it’s a DAMN DUCK, I mean an EXCLUSION, whether they want to call it that or NOT!

43 26 U.S.C. §83(b) also recognizes a VOLUNTARY WAIVER of the excludability of your labor from income taxation as
44 follows. In other words, you are donating your services to a PUBLIC USE, a PUBLIC PURPOSE, and a PUBLIC OFFICE,
45 usually to pursue a perceived but seldom ACTUAL “benefit” of some kind, such as gaining credits under the Social Security
46 Ponzi Scheme:

47 [26 U.S. Code § 83 - Property transferred in connection with performance of services](#)

48 (b) Election to include in gross income in year of transfer

49 (1) In general

50 Any person who performs services in connection with which property is transferred to any person may elect to
51 include in his gross income for the taxable year in which such property is transferred, the excess of—

52 (A) the fair market value of such property at the time of transfer (determined without regard to any restriction
53 other than a restriction which by its terms will never lapse), over

54 (B) the amount (if any) paid for such property.

1 If such election is made, subsection (a) shall not apply with respect to the transfer of such property, and if such
2 property is subsequently forfeited, no deduction shall be allowed in respect of such forfeiture.

3 (2) Election

4 An election under paragraph (1) with respect to any transfer of property shall be made in such manner as the
5 Secretary prescribes and shall be made not later than 30 days after the date of such transfer. Such election may
6 not be revoked except with the consent of the Secretary

7 If you make this “election” or act of consent, YOU’RE A DAMN IDIOT and a volunteer slave for Pharaoh who is actually
8 PAYING for the privilege of BEING a slave. Bend over! Here is how we describe that process of becoming a voluntary
9 SLAVE and even paying for the PRIVILEGE on the opening page of our website:

10 *“People of all races, genders, political beliefs, sexual orientations, and nearly all religions are welcome here.*
11 *All are treated equally under REAL “law”. The only way to remain truly free and equal under the civil law is to*
12 *avoid seeking government civil services, benefits, property, special or civil status, exemptions, privileges, or*
13 *special treatment. All such pursuits of government services or property require individual and lawful consent to*
14 *a franchise and the surrender of inalienable constitutional rights AND EQUALITY in the process, and should*
15 *therefore be AVOIDED. The rights and equality given up are the “cost” of procuring the “benefit” or property*
16 *from the government, in fact. Nothing in life is truly “free”. Anyone who claims that such “benefits” or property*
17 *should be free and cost them nothing is a thief who wants to use the government as a means to STEAL on his or*
18 *her behalf. All just rights spring from responsibilities/obligations under the laws of a higher power. If that higher*
19 *power is God, you can be truly and objectively free. If it is government, you are guaranteed to be a slave because*
20 *they can lawfully set the cost of their property as high as they want as a Merchant under the U.C.C. If you want*
21 *it really bad from people with a monopoly, then you will get it REALLY bad. Bend over. There are NO*
22 *constitutional limits on the price government can charge for their monopoly services or property. Those who*
23 *want no responsibilities can have no real/PRIVATE rights, but only privileges dispensed to wards of the state*
24 *which are disguised to LOOK like unalienable rights. Obligations and rights are two sides of the same coin, just*
25 *like self-ownership and personal responsibility. For the biblical version of this paragraph, read 1 Sam. 8:10-22.*
26 *For the reason God answered Samuel by telling him to allow the people to have a king, read Deut. 28:43-51,*
27 *which is God’s curse upon those who allow a king above them. Click Here*
28 *(<https://famguardian.org/Subjects/Taxes/Evidence/HowScCorruptOurRepubGovt.htm>) for a detailed description*
29 *of the legal, moral, and spiritual consequences of violating this paragraph.”*
30 *[SEDM Opening Page; <http://sedm.org>]*

31 Because your labor is expressly excluded from “income” per 26 U.S.C. §83, the following burden of proof rests upon the
32 GOVERNMENT to prove that it is EXPERSSLY INCLUDED before they can tax it:

33 *“Initially, it is important to bear in mind the distinction between a tax exclusion and a tax exemption. Tax*
34 *exemptions are items which the tax payer is entitled to excuse from the operation of a tax and, as such, are to be*
35 *strictly construed against the tax payer. Tax exclusions, on the other hand, are items which were not intended to*
36 *be taxed in the first place and, thus, to the extent there is any doubt about the meaning of the statutory language,*
37 *exclusionary provisions are to be strictly construed against the taxing body. In fact, tax laws in general (with the*
38 *exception of exemption clauses) are construed in favor of the tax payer and against imposition of the tax unless*
39 *the legislative intent is clear and unambiguous.”*
40 *[In re Twisteroo Soft Pretzel Bakeries, Inc., 21 B.R. 665, 667 (Bankr. E.D. Pa. 1982)]*

41 **6 Government interference with your employment agreement is a criminal** 42 **trespass**

43 Because labor is property, people use their right to contract as a means of protecting their right to it. The most frequent
44 method for protecting their right over their own labor is employment agreements between them and third parties who want
45 to procure their labor as the valuable commodity that it is. This section will prove that the government has no constitutional
46 or lawful right to trespass upon a private contract between you and your private employer unless they are expressly made a
47 party to said contract. It will also prove that the IRS Form W-4, while identified within the regulations as an “agreement”,
48 cannot lawfully confer any rights to the government, because the government didn’t sign the form and the terms of the
49 agreement were not fully disclosed on the form.

50 The United States Constitution protects your right to contract from intrusion by the state governments, by saying the
51 following:

52 *U.S. Constitution*
53 *[Article I, Section 10](#)*

1 No State shall enter into any Treaty, Alliance, or Confederation; grant Letters of Marque and Reprisal; coin
2 Money; emit Bills of Credit; make any Thing but gold and silver Coin a Tender in Payment of Debts; pass any
3 Bill of Attainder, ex post facto Law, or Law impairing the Obligation of Contracts, or grant any Title of Nobility.

4 No provision within the U.S. Constitution imposes the same obligation upon the federal government in relations to contracts,
5 but the U.S. Supreme Court has said that it is applies equally to the federal government as well, when it said:

6 "Independent of these views, there are many considerations which lead to the conclusion that the power to
7 impair contracts [either the Constitution or the Holy Bible], by direct action to that end, does not exist with the
8 general [federal] government. In the first place, one of the objects of the Constitution, expressed in its
9 preamble, was the establishment of justice, and what that meant in its relations to contracts is not left, as was
10 justly said by the late Chief Justice, in Hepburn v. Griswold, to inference or conjecture. As he observes, at the
11 time the Constitution was undergoing discussion in the convention, the Congress of the Confederation was
12 engaged in framing the ordinance for the government of the Northwestern Territory, in which certain articles of
13 compact were established between the people of the original States and the people of the Territory, for the
14 purpose, as expressed in the instrument, of extending the fundamental principles of civil and religious liberty,
15 upon which the States, their laws and constitutions, were erected. By that ordinance it was declared, that, in the
16 just preservation of rights and property, 'no law ought ever to be made, or have force in the said Territory, that
17 shall, in any manner, interfere with or affect private contracts or engagements bona fide and without fraud
18 previously formed.' The same provision, adds the Chief Justice, found more condensed expression in the
19 prohibition upon the States [in Article 1, Section 10 of the Constitution] against impairing the obligation of
20 contracts, which has ever been recognized as an efficient safeguard against injustice; and though the prohibition
21 is not applied in terms to the government of the United States, he expressed the opinion, speaking for himself and
22 the majority of the court at the time, that it was clear 'that those who framed and those who adopted the
23 Constitution intended that the spirit of this prohibition should pervade the entire body of legislation, and that
24 the justice which the Constitution was ordained to establish was not thought by them to be compatible with
25 legislation for judicial precedent] of an opposite tendency.' 8 Wall. 623. [99 U.S. 700, 765] Similar views are
26 found expressed in the opinions of other judges of this court."
27 [[Sinking Fund Cases, 99 U.S. 700 \(1878\)](#)]

28 Consequently, neither the state nor federal governments may lawfully impair the obligations of any private contracts, and if
29 they do, they become liable for an actionable tort and criminal trespass. If you sign an employment agreement with a private
30 employer which governs the rules regulating the exchange of labor as property for money or other valuable goods or
31 considerations:

- 32 1. No third party may lawfully assert any authority over that equal exchange.
- 33 2. No third party may lawfully modify the terms of that agreement after it was signed, without the mutual consent of both
34 parties to the agreement.
- 35 3. No third party incurs or accumulates any rights over that exchange who was not made an explicit party to the agreement
36 and manifested his consent to it by his signature.
- 37 4. So long as the exchange of labor for other property does not harm the parties to the agreement or any third party, the
38 government maintains no lawful authority to regulate the transaction or to tax it in order to pay the costs of such
39 regulation.
- 40 5. The government may not assert any kind of implied or implicit "equity interest" in the exchange, and if it does, it is
41 involved in THEFT and trespass
- 42 6. The above requirements are just as applicable to verbal agreements as they are to written agreements.
- 43 7. The restrictions upon the government above are just as applicable to any third party as they are to the government. This
44 is a requirement of equal protection of the law.

45 So where does the government acquire an equity interest in the compensation for your labor which is your exclusive property?
46 Some people believe that it finds its origin in the submission and signing of the IRS Form W-4. This form is identified in the
47 regulations identify as an "agreement". If in fact it is an agreement that is binding upon all the parties and the United States
48 government, then it must be entered into voluntarily. This is the essence of the nature of the voluntary withholding agreement
49 mentioned in the regulation below:

50 [26 C.F.R. §31.3402\(p\)-1](#)

51 Title 26

52 CHAPTER I

53 SUBCHAPTER C

54 PART 31

55 Subpart E

56 Sec. 31.3402(p)-1 Voluntary withholding agreements.
57

1 (a) In general.

2 An employee and his employer may enter into an agreement under section 3402(b) to provide for the withholding
3 of income tax upon payments of amounts described in paragraph (b)(1) of Sec. 31.3401(a)-3, made after
4 December 31, 1970. **An agreement may be entered into under this section only with respect to amounts which**
5 **are includible in the gross income of the employee under section 61, and must be applicable to all such amounts**
6 **paid by the employer to the employee.** The amount to be withheld pursuant to an agreement under section 3402(p)
7 shall be determined under the rules contained in section 3402 and the regulations thereunder. (b) Form and
8 duration of agreement. (1)(i) Except as provided in subdivision (ii) of this subparagraph, an employee who desires
9 to enter into an agreement under section 3402(p) shall furnish his employer with Form W-4 (withholding
10 exemption certificate) executed in accordance with the provisions of section 3402(f) and the regulations
11 thereunder. The furnishing of such Form W-4 shall constitute a request for withholding.

12 Note that the above regulation:

- 13 1. Is NOT “law” because the statute upon which is based in 26 U.S.C. §3402(p) does not contain the language above stating
14 that EVERYTHING that is made is “gross income” under 26 U.S.C. §61. The Secretary cannot MAKE law, he can only
15 IMPLEMENT. Therefore, anything that is in the regulation that is not ALSO found in the statute it implements does not
16 prescribe any lawful requirement.

17 “When enacting §7206(1) Congress undoubtedly knew that the Secretary of the Treasury is empowered to
18 prescribe all needful rules and regulations for the enforcement of the internal revenue laws, so long as they carry
19 into effect the will of Congress as expressed by the statutes. Such regulations have the force of law. **The**
20 **Secretary, however, does not have the power to make law.**”³³
21 [*United States v. Levy*, 533 F.2d. 969 (1976)]

22
23 Finally, the Government points to the fact that the Treasury Regulations relating to the statute purport to include
24 the pick-up man among those subject to the s 3290 tax,^{FN11} and argues (a) that this constitutes an administrative
25 interpretation to which we should give weight in construing the statute, particularly because (b) section 3290 was
26 carried over in haec verba into [s 4411 of the Internal Revenue Code of 1954, 26 U.S.C.A. s 4411](#). **We find neither**
27 **argument persuasive. In light of the above discussion, *359 we cannot but regard this Treasury Regulation as**
28 **no more than an attempted addition to the statute of something which is not there.**^{FN12} **As such the regulation**
29 **can furnish no sustenance to the statute.** [Koshland v. Helvering, 298 U.S. 441, 446-447, 56 S.Ct. 767, 769-770,](#)
30 [80 L.Ed. 1268.](#)
31 [*U.S. v. Calamaro*, 354 U.S. 351, 77 S.Ct. 1138 (U.S. 1957)]

- 32 2. Identifies the W-4 as an “agreement” between the “employer” and the “employee”, and does NOT identify the
33 government as a party to said agreement. Therefore, the government is not a party to the agreement and therefore incurs
34 no contractual rights over any of the property of the parties to the agreement.
35 3. The employer does *not* sign the agreement, and therefore incurs NO RIGHTS to it. He must sign it to incur any rights
36 over the property of the “employee”.
37 4. The IRS Form W-4 does not fully or completely disclose the terms of the agreement, and therefore the agreement fails
38 to give “reasonable notice” to all the parties concerned all of the rights to property they are acquiring or surrendering by
39 virtue of consenting to the contract or agreement. Since there was not full disclosure of the terms of the contract, then it
40 confers no rights to anyone.

41 “Waivers of Constitutional rights not only must be voluntary, but must be knowing, intelligent acts done with
42 sufficient awareness of the relevant circumstances and likely consequences.”
43 [*Brady v. U.S.*, 397 U.S. 742 (1970)]

44 “The question of a waiver of a federally guaranteed constitutional right is, of course, a federal question controlled
45 by federal law. There is a presumption against the waiver of constitutional rights, see, e.g. *Glasser v. United*
46 *States*, 315 U.S. 60, 70-71, 86 L.Ed. 680, 699, 62 S.Ct. 457, and for a waiver to be effective it must be clearly
47 established that there was “an intentional relinquishment or abandonment of a known right or
48 privilege.” *Johnson v. Zerbst*, 304 U.S. 458, 464, 82 L.Ed. 1461, 1466, 58 S.Ct. 1019, 146 A.L.R. 357.”
49 [*Brookhart v. Janis*, 384 U.S. 1; 86 S.Ct. 1245; 16 L.Ed.2d. 314 (1966)]

50 “Where rights secured by the Constitution there can be no rule making or legislation [or government forms]
51 which would abrogate them.”

³³ *Dixon v. United States*, 1965, 381 U.S. 68, 85 S.Ct. 1301, 14 L.Ed.2d. 223; *Werner v. United States*, 7 Cir., 1959, 264 F.2d. 489; *Whirlwind Manufacturing Company v. United States*, 5 Cir., 1965, 344 F.2d. 153.

1 [\[Miranda v. Arizona, 384 U.S. 436, 491 \(1966\)\]](#)

2 *"Where administrative action may result in loss of both property and life, or of all that makes life worth living,*
3 *any doubt as to the extent of power delegated to administrative officials is to be resolved in citizen's favor, and*
4 *court must be especially sensitive to the citizen's rights where proceeding is non-judicial."*
5 [\[United States v. Minker, 350 U.S. 179, 76 S.Ct. 281 \(1956\)\]](#)

- 6 5. Even if the government were a party and wished to sign such a contract, the only entity within the federal government
7 who can consent to a contract and obligate the United States by law is the Legislative Branch of the government, and no
8 one within the Executive Branch, employee or otherwise, has the authority to obligate the government to such a contract:

9 *"There is an element of fiction in the presumption that every citizen is charged with a responsibility to know what*
10 *the law is. But the array of government executives, judges, and legislators who have been accused, and convicted,*
11 *of mail fraud under the well-settled construction of the statute that the Court renounces today are people who*
12 *unquestionably knew that their conduct was unlawful. Cf. Nash v. United States, 229 U.S. 373, 377 (1913)."*
13 [\[McNally v. United States, 483 U.S. 350 \(1987\)\]](#)

- 14 6. The fact that the terms of the contract might be documented in the regulation itself does not satisfy the constitutional
15 requirement for "reasonable notice " of the terms and conditions of the contract. To wit:

16 *"But the short answer to this contention is that since no official of the government could have rendered it liable*
17 *for this work by an express contract, none can by his acts or omissions create a valid contract implied in fact.*
18 *The limitation upon the authority to impose contract obligations upon the United States is as applicable to*
19 *contracts by implication as it is to those expressly made."*
20 [\[Sutton v. U.S., 256 U.S. 575 \(1921\)\]](#)

- 21 7. The courts have said that you cannot believe anything that a member of the Executive Branch says, and that the only
22 basis for reasonable belief is what the law actually says. Therefore, even if you were able to persuade a member of the
23 Executive Branch to personally sign such an agreement, there would be no basis to believe that his signature
24 communicated or conveyed the requisite consent, even if he claimed that it did.

25 *"The Government may carry on its operations through conventional executive agencies or through corporate*
26 *forms especially created for defined ends. See Keifer & Keifer v. Reconstruction Finance Corp., 306 U.S. 381,*
27 *390, 518. **Whatever the form in which the Government functions, anyone entering into an arrangement with***
28 ***the Government takes the risk of having accurately ascertained that he who purports to act for the Government***
29 ***stays within the bounds of his authority. The scope of this authority may be explicitly defined by Congress or***
30 ***be limited by delegated legislation, properly exercised through the rule-making power.** And this is so even*
31 *though, as here, the agent himself may have been unaware of the limitations upon his authority. See, e.g., Utah*
32 *Power & Light Co. v. United States, 243 U.S. 389, 409, 391; United States v. Stewart, 311 U.S. 60, 70, 108, and*
33 *see, generally, In re Floyd Acceptances, 7 Wall. 666."*
34 [\[Federal Crop Ins. v. Merrill, 332 U.S. 380 \(1947\)\]](#)

35
36 *Justice Holmes wrote: "Men must turn square corners when they deal with the Government." Rock Island, A. &*
37 *L. R. Co. v. United States, 254 U.S. 141, 143 (1920). This observation has its greatest force when a private party*
38 *seeks to spend the Government's money. Protection of the public fisc requires that those who seek public funds*
39 *act with scrupulous regard for the requirements of law; respondent could expect no less than to be held to the*
40 *most demanding standards in its quest for public funds. This is consistent with the general rule that those who*
41 *deal with the Government are expected to know the law and may not rely on the conduct of Government agents*
42 *contrary to law. 17. [467 U.S. 51, 64]*

43 [. . .]

44 *The appropriateness of respondent's reliance is further undermined because the advice it received from Travelers*
45 *was oral. It is not merely the possibility of fraud that undermines our confidence in the reliability of official action*
46 *that is not confirmed or evidenced by a written instrument. Written advice, like a written judicial opinion, requires*
47 *its author to reflect about the nature of the advice that is given to the citizen, and subjects that advice to the*
48 *possibility of review, criticism, and reexamination. The necessity for ensuring that governmental agents stay*
49 *within the lawful scope of their authority, and that those who seek public funds act with scrupulous exactitude,*
50 *argues strongly for the conclusion that an estoppel cannot be erected on the basis of the oral advice that underlay*
51 *respondent's cost reports. That is especially true when a complex program such as Medicare is involved, in which*
52 *the need for written records is manifest.*
53 [\[Heckler v. Comm Health Svc, 467 U.S. 51 \(1984\)\]](#)
54

1 In their answers some of the defendants assert that when the forest reservations were created an understanding
2 and agreement was had between the defendants, or their predecessors, and some unmentioned officers or agents
3 of the United States, to the effect that the reservations would not be an obstacle to the construction or operation
4 of the works in question; that all rights essential thereto would be allowed and granted under the act of 1905;
5 that, consistently with this understanding and agreement, and relying thereon, the defendants, or their
6 predecessors, completed the works and proceeded with the generation and distribution of electric energy, and
7 that, in consequence, the United States is estopped to question the right of the defendants to maintain and operate
8 the works. Of this it is enough to say that the United States is neither bound nor estopped by acts of its officers
9 or agents in entering into an arrangement or agreement to do or cause to be done what the law does not
10 sanction or permit. Lee v. Munroe, 7 Cranch, 366, 3 L.Ed. 373; Filor v. United States, 9 Wall. 45, 49, 19 L.Ed.
11 549, 551; Hart v. United States, 95 U.S. 316, 24 L.Ed. 479; Pine River Logging Co. v. United States, 186 U.S.
12 279, 291, 46 S.L.Ed. 1164, 1170, 22 Sup.Ct.Rep. 920.
13 [*Utah Power and Light v. U.S.*, 243 U.S. 389 (1917)]
14

15 “It is contended that since the contract provided that the government ‘inspectors will keep a record of the work
16 done,’ since their estimates were relied upon by the contractor, and since by reason of the inspector’s mistake the
17 contractor was led to do work in excess of the appropriation, the United States is liable as upon an implied
18 contract for the fair value of the work performed. **But the short answer to this contention is that since no official
19 of the government could have rendered it liable for this work by an express contract, none can by his acts or
20 omissions create a valid contract implied in fact. The limitation upon the authority to impose contract
21 obligations upon the United States is as applicable to contracts by implication as it is to those expressly made.**”
22 [*Sutton v. U.S.*, 256 U.S. 575 (1921)]
23

24 Undoubtedly, the general rule is that the United States are neither bound nor estopped by the acts of their
25 officers and agents in entering into an agreement or arrangement to do or cause to be done what the law does
26 not sanction or permit. Also, those dealing with an agent of the United [294 U.S. 120, 124] States must
27 be held to have had notice of the limitation of his authority. Utah Power & Light Co. v. United States, 243 U.S.
28 389, 409, 37 S.Ct. 387; Sutton v. United States, 256 U.S. 575, 579, 41 S.Ct. 563, 19 A.L.R. 403.

29 How far, if at all, these general rules are subject to modification where the United States enter into transactions
30 commercial in nature (*Cooke v. United States*, 91 U.S. 389, 399; *White v. United States*, 270 U.S. 175, 180, 46
31 S.Ct. 274) we need not now inquire. The circumstances presented by this record do not show that the assured was
32 deceived or misled to his detriment, or that he had adequate reason to suppose his contract would not be enforced
33 or that the forfeiture provided for by the policy could be waived. *New York Life Insurance Co. v. Eggleston*, 96
34 U.S. 572; *Phoenix Mut. Life Insurance Co. v. Doster*, 106 U.S. 30, 1 S.Ct. 18. The grounds upon which estoppel
35 or waiver are ordinarily predicated are not shown to exist.
36 [*Wilbur Natl Bank v. U.S.*, 294 U.S. 120 (1935)]

37 Absent the above IRS Form W-4 withholding agreement voluntarily submitted to an “employer” by the “employee” without
38 any threat of termination or refusal to hire, there is no lawful basis to withhold. In support of this fact, consider that:

- 39 1. You cannot call the W-4 an “agreement” without voluntary consent.
40 2. Agreements entered into in the presence of threats, duress, or coercion of any kind are voidable at option of the party
41 coerced:

42 “An agreement [consent] obtained by duress, coercion, or intimidation is invalid, since the party coerced is not
43 exercising his free will, and the test is not so much the means by which the party is compelled to execute the
44 agreement as the state of mind induced.³⁴ Duress, like fraud, rarely becomes material, except where a contract
45 or conveyance has been made which the maker wishes to avoid. As a general rule, duress renders the contract
46 or conveyance voidable, not void, at the option of the person coerced,³⁵ and it is susceptible of ratification. Like
47 other voidable contracts, it is valid until it is avoided by the person entitled to avoid it. ³⁶ However, duress in
48 the form of physical compulsion, in which a party is caused to appear to assent when he has no intention of doing
49 so, is generally deemed to render the resulting purported contract void. ³⁷”

³⁴ *Brown v. Pierce*, 74 U.S. 205, 7 Wall 205, 19 L.Ed. 134

³⁵ *Barnette v. Wells Fargo Nevada Nat’l Bank*, 270 U.S. 438, 70 L.Ed. 669, 46 S.Ct. 326 (holding that acts induced by duress which operate solely on the mind, and fall short of actual physical compulsion, are not void at law, but are voidable only, at the election of him whose acts were induced by it); *Faske v. Gershman*, 30 Misc.2d. 442, 215 N.Y.S.2d. 144; *Glenney v. Crane* (Tex Civ App Houston (1st Dist)) 352 S.W.2d. 773, writ ref n r e (May 16, 1962); *Carroll v. Fetty*, 121 W Va 215, 2 S.E.2d. 521, cert den 308 U.S. 571, 84 L.Ed. 479, 60 S.Ct. 85.

³⁶ *Faske v. Gershman*, 30 Misc.2d. 442, 215 N.Y.S.2d. 144; *Heider v. Unicume*, 142 Or. 416, 20 P.2d. 384; *Glenney v. Crane* (Tex Civ App Houston (1st Dist)) 352 S.W.2d. 773, writ ref n r e (May 16, 1962)

³⁷ Restatement 2d, Contracts § 174, stating that if conduct that appears to be a manifestation of assent by a party who does not intend to engage in that conduct is physically compelled by duress, the conduct is not effective as a manifestation of assent.

3. The definition for “wages” found in [26 U.S.C. §3401\(a\)](#), which are the main thing reported on IRS Form W-2, does not include earnings of “public officials” and yet the only thing reported on the form is “trade or business” earnings of a “public official” pursuant to [26 U.S.C. §6041](#).

[TITLE 26](#) > [Subtitle F](#) > [CHAPTER 61](#) > [Subchapter A](#) > [PART III](#) > [Subpart B](#) > § 6041
[§ 6041. Information at source](#)

(a) Payments of \$600 or more

All persons engaged in a trade or business and making payment in the course of such trade or business to another person, of rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable gains, profits, and income (other than payments to which section 6042 (a)(1), 6044 (a)(1), 6047 (e), 6049 (a), or 6050N (a) applies, and other than payments with respect to which a statement is required under the authority of section 6042 (a)(2), 6044 (a)(2), or 6045), of \$600 or more in any taxable year, or, in the case of such payments made by the United States, the officers or employees of the United States having information as to such payments and required to make returns in regard thereto by the regulations hereinafter provided for, shall render a true and accurate return to the Secretary, under such regulations and in such form and manner and to such extent as may be prescribed by the Secretary, setting forth the amount of such gains, profits, and income, and the name and address of the recipient of such payment.

[26 U.S.C. §7701\(a\)\(26\)](#) defines a “trade or business” as “the functions of a public office”. Therefore, the only way to earn reportable “wages” on an IRS Form W-2 is to consent voluntarily to be treated as a “public official”. There is NO OTHER WAY to have reportable earnings or to have a nonzero amount on an IRS Form W-2.

Even if the above agreement were signed by the government or a representative, it still would not confer any rights if that person were not from the Legislative Branch. No one in the Executive Branch has been delegated the authority to bind the United States in a contractual agreement and if they were, it would violate the separation of powers doctrine that is the foundation of the Constitution. Law is the only way to give “reasonable notice” to the public of the rights they are surrendering to the government. Consequently, there is no basis to believe that the government has any authority whatsoever to invade private contracts between you as a private American and the private employer you work for. If the government asserts such a right, you should ask them the questions indicated later in section 13. Their answers will reveal that there is no way they can prove with the law that they have such authority.

Based on the foregoing, we can safely conclude the following:

1. If a private employer, after having agreed to pay you a fixed sum for your services, diverts any portion of that compensation to a third party who is not a party to the contract, then he is in breach of said contract.
2. If the government comes in and tries instruct either party to the contract to divert your compensation to them, then they are encouraging the private employer to breach the contract and engaging in a criminal trespass upon the contract.
3. If a private employer compels the use of the IRS Form W-4 for new or existing hires and threatens to wither not hire or fire them for failure to submit the completed and signed form, then that agreement is no longer a voluntary agreement and falls under the auspices of threat, duress, and coercion. As such, it is void and voidable by the injured party and none of the provisions of the contract can be lawfully be enforced against any party.

“An agreement [consent] obtained by duress, coercion, or intimidation is invalid, since the party coerced is not exercising his free will, and the test is not so much the means by which the party is compelled to execute the agreement as the state of mind induced.³⁸ Duress, like fraud, rarely becomes material, except where a contract or conveyance has been made which the maker wishes to avoid. As a general rule, duress renders the contract or conveyance voidable, not void, at the option of the person coerced,³⁹ and it is susceptible of ratification. Like other voidable contracts, it is valid until it is avoided by the person entitled to avoid it. ⁴⁰ However, duress in

³⁸ Brown v. Pierce, 74 U.S. 205, 7 Wall 205, 19 L.Ed. 134

³⁹ Barnette v. Wells Fargo Nevada Nat'l Bank, 270 U.S. 438, 70 L.Ed. 669, 46 S.Ct. 326 (holding that acts induced by duress which operate solely on the mind, and fall short of actual physical compulsion, are not void at law, but are voidable only, at the election of him whose acts were induced by it); Fasje v. Gershman, 30 Misc.2d. 442, 215 N.Y.S.2d. 144; Glenney v. Crane (Tex Civ App Houston (1st Dist)) 352 S.W.2d. 773, writ ref n r e (May 16, 1962); Carroll v. Fetty, 121 W Va 215, 2 S.E.2d. 521, cert den 308 U.S. 571, 84 L.Ed. 479, 60 S.Ct. 85.

⁴⁰ Fasje v. Gershman, 30 Misc.2d. 442, 215 N.Y.S.2d. 144; Heider v. Unicume, 142 Or. 416, 20 P.2d. 384; Glenney v. Crane (Tex Civ App Houston (1st Dist)) 352 S.W.2d. 773, writ ref n r e (May 16, 1962)

1 *the form of physical compulsion, in which a party is caused to appear to assent when he has no intention of doing*
2 *so, is generally deemed to render the resulting purported contract void. 41⁴¹”*
3 *[American Jurisprudence 2d, Duress, §21 (1999)]*

4 **7 How IRS Forms and Publications Hide or Disguise the excludability of labor**

5 **7.1 IRS publications “conveniently” do not mention it.**

6 The most pertinent publication relating to the excludability of labor from “gross income” is IRS Publication 334:

IRS Publication 334, Tax Guide for Small Businesses
<http://famguardian.org/TaxFreedom/Forms/IRS/IRSPub334.pdf>

7 The pertinent sections in that document are:

- 8 1. Section 5: Business Income
- 9 2. Section 6: How to Figure Cost of Goods Sold
- 10 3. Section 7: Figuring Cost of Goods Sold
- 11 4. Section 8: Business Expenses

12 Section 8 in IRS Publication 334 says the following on p. 30 the following:

13 **8. Business Expenses**

14 *Introduction*

15 *You can deduct the costs of running your business. These costs are known as business expenses. These are costs*
16 *you do not have to capitalize or include in the cost of goods sold.*

17 *To be deductible, a business expense must be both ordinary and necessary. An ordinary expense is one that is*
18 *common and accepted in your field of business. A necessary expense is one that is helpful and appropriate for*
19 *your business. An expense does not have to be indispensable to be considered necessary.*

20 *For more information about the general rules for deducting business expenses, see chapter 1 in Publication 535,*
21 *Business Expenses.*
22 *[IRS Publication 334, Section 8, p. 30]*

23 In the above section, they go on to identify “Employee’s Pay” as a “business expense”:

24 **Employees’ Pay**

25 *You can generally deduct on Schedule C the pay you give your employees for the services they perform for your*
26 *business. The pay may be in cash, property, or services.*

27 *To be deductible, your employees’ pay must be an ordinary and necessary expense and you must pay or incur it*
28 *in the tax year. In addition the pay must meet both of the following tests.*

- 29 • *The pay must be reasonable.*
- 30 • *The pay must be for services performed.*

31 *Chapter 2 in Publication 535 explains and defines these requirements.*

32 *You cannot deduct your own salary or any personal withdrawals you make from your business. You are not an*
33 *employee of the business.*
34 *[IRS Publication 334, Chapt. 8, p. 33]*

41 Restatement 2d, Contracts § 174, stating that if conduct that appears to be a manifestation of assent by a party who does not intend to engage in that conduct is physically compelled by duress, the conduct is not effective as a manifestation of assent.

1 The above publication does not deny the opportunity or right to take a personal deduction pursuant to 26 U.S.C. §83. It
2 allows business deductions for labor on IRS Schedule C, but if it is a personal deduction, it is deducted before “gross income”
3 is entered on the 1040 form. See IRS Publication 17 entitled Federal Income Tax for Individuals, first page.

4 *Cost basis.*

5 *The basis of property you buy is usually its cost. The cost is the amount you pay in cash, debt obligations, other*
6 *property, or services. Your cost also includes amounts you pay for the following items:*

- 7 • *Sales tax (less any applicable sales tax claimed on Schedule A (Form 1040))*
- 8 • *Freight*
- 9 • *Installation and testing.*
- 10 • *Excise taxes*
- 11 • *Legal and accounting fees (when they must be capitalized)*
- 12 • *Revenue stamps*
- 13 • *Recording fees, and*
- 14 • *Real estate taxes (if you assume liability for the seller)*

15 *In addition, the basis of real estate and business assets may include other items.*
16 *[IRS Publication 17, Year 2005, p. 89]*

17 Note that the cost of labor is not mentioned above, even though cannot lawfully exclude it. This is a deception. Note also
18 that Federal Reserve Notes (money) are debt obligations of the U.S. government.

19 The purpose for deducting employees’ pay above, of course, is to ensure that “profit” is accurately calculated so as to consider
20 all the expenses incurred in producing it. The questions in our mind after reading the above are the following:

21 1. What is the amount of the Fair Market Value (FMV) of your labor?

22 **ANSWER:** Whatever someone is willing to pay it. Take a look at your paycheck. The gross amount of your paycheck
23 is the value of your labor.

24 2. Where on the IRS Form 1040 or the supporting schedules is this cost (FMV or value of your labor) to be entered and
25 EXCLUDED from line 7, gross income?

26 **ANSWER:** There is no place to do this. Only if you are a business, you can deduct the cost of everyone else’s labor on
27 IRS Schedule C, but not form 1040.

28 3. Can the IRS exclude labor from the term “any property” in the context of 26 U.S.C. §83 when neither Congress nor the
29 Secretary have expressly excluded labor as property from the section 83 exclusion?

30 **ANSWER:** No.

31 4. If neither Congress in U.S. law nor the Secretary in the Treasury regulations thereunder have expressly excluded labor
32 as a type of property which may not be deducted pursuant to 26 U.S.C. §83, by what authority does the IRS unilaterally
33 exclude said labor.

34 **ANSWER:** They have no legislatively delegated authority to do so. All of their statements on this point are simply
35 propaganda and agency policy written in such a way as to intentionally deceive citizens into parting with their
36 Constitutionally protected property.

37 IRS Publications 334 and 535 mentioned above “conveniently omit” discussion of answers to any of the above questions,
38 because quite frankly, the government would destroy nearly all of its revenues derived from the unlawful enforcement of
39 [I.R.C. Subtitle A](#) income taxes if they did. It is precisely because of the danger to their illegal revenues that the IRS won’t
40 admit that your labor is your property, exclusively your property, and that they have no right to it without your consent.

41 **7.2 There is nothing on Schedule C that specifically mentions labor**

42 Examine IRS Schedule C for yourself, and see if you can find the cost of labor listed there. It AIN’T THERE!:

<http://famguardian.org/TaxFreedom/Forms/IRS/IRSForm1040sc.pdf>

43 **7.3 There is no space to write it on the IRS Forms 1040 or 1040NR**

44 Examine IRS Form 1040 for yourself, and see if you can find the cost of labor listed there as a deduction or an exclusion. It
45 AIN’T THERE!:

7.4 The Internal Revenue Code does not define the term “personal services” as used in the phrase “compensation for services” within 26 U.S.C. §61(a)(1), which defines “gross income”

The only “services” mentioned in the Internal Revenue Code itself are “compensation for services” mentioned in 26 U.S.C. §61(a)(1). To wit:

[TITLE 26](#) > [Subtitle A](#) > [CHAPTER 1](#) > [Subchapter B](#) > [PART I](#) > § 61
[§ 61. Gross income defined](#)

(a) General definition

Except as otherwise provided in this subtitle [such as I.R.C. Section 83], 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;

The term “services” is then not defined anywhere in the Internal Revenue Code. However, the implications are clear:

1. The only thing that a W-2 can document is “trade or business” earnings, as corroborated by 26 U.S.C. §6041.
2. The W-2 therefore does not document earnings from “labor”, but earnings in the conduct of a privileged, excise taxable activity called a “trade or business”, which is then defined in [26 U.S.C. §7701\(a\)\(26\)](#) as “the functions of a public office”.
3. There is no provision anywhere in the Internal Revenue Code which would expand the definition of “trade or business” to include anything OTHER than “the functions of a public office”. Therefore, the definition is restrictive.

“Expressio unius est exclusio alterius. A maxim of statutory interpretation meaning that the expression of one thing is the exclusion of another. Burgin v. Forbes, 293 Ky. 456, 169 S.W.2d 321, 325; Newblock v. Bowles, 170 Okl. 487, 40 P.2d. 1097, 1100. Mention of one thing implies exclusion of another. When certain persons or things are specified in a law, contract, or will, an intention to exclude all others from its operation may be inferred. Under this maxim, if statute specifies one exception to a general rule or assumes to specify the effects of a certain provision, other exceptions or effects are excluded.”
[Black’s Law Dictionary, Sixth Edition, p. 581]

“It is axiomatic that the statutory definition of the term excludes unstated meanings of that term. Colautti v. Franklin, 439 U.S. 379, 392, and n. 10 (1979). Congress’ use of the term “propaganda” in this statute, as indeed in other legislation, has no pejorative connotation. As judges, it is our duty to [481 U.S. 485] construe legislation as it is written, not as it might be read by a layman, or as it might be understood by someone who has not even read it.”
[Meese v. Keene, 481 U.S. 465, 484 (1987)]

“As a rule, a definition which declares what a term “means” . . . excludes any meaning that is not stated”
[Colautti v. Franklin, 439 U.S. 379 (1979), n. 10]

“When a statute includes an explicit definition, we must follow that definition, even if it varies from that term’s ordinary meaning. Meese v. Keene, 481 U.S. 465, 484-485 (1987) (“It is axiomatic that the statutory definition of the term excludes unstated meanings of that term”); Colautti v. Franklin, 439 U.S. at 392-393, n. 10 (“As a rule, a definition which declares what a term “means” . . . excludes any meaning that is not stated”); Western Union Telegraph Co. v. Lenroot, 323 U.S. 490, 502 (1945); Fox v. Standard Oil Co. of N.J., 294 U.S. 87, 95-96 (1935) (Cardozo, J.); see also 2A N. Singer, Sutherland on Statutes and Statutory Construction § 47.07, p. 152, and n. 10 (5th ed. 1992) (collecting cases). That is to say, the statute, read “as a whole,” post at 998 [530 U.S. 943] (THOMAS, J., dissenting), leads the reader to a definition. That definition does not include the Attorney General’s restriction -- “the child up to the head.” Its words, “substantial portion,” indicate the contrary.”
[Stenberg v. Carhart, 530 U.S. 914 (2000)]

For a thorough analysis of the above cases and the meaning of the word “includes”, see and rebut:

[Legal Deception, Propaganda, and Fraud](#), Form #05.014
<http://sedm.org/Forms/FormIndex.htm>

4. The I.R.C. Subtitle A income tax is therefore an indirect excise tax upon an “activity”, and not directly upon labor.

- 1 5. There is an implicit assumption that any source of “gross income” mentioned in [26 U.S.C. §61](#) is associated with a “trade
2 or business” and that a source that is not so associated does not qualify as “gross income”.
3 5.1. This includes the term “services”.
4 5.2. The only exceptions to this are found in [26 U.S.C. §871\(a\)](#) in the case of a nonresident alien.
5 6. I.R.C. Subtitle A therefore describes an indirect excise tax upon “profits” from “labor” connected with a “trade or
6 business” and a “public office”.
7 7. Those who are not engaged in a “trade or business” and a “public office” and who receive compensation for their services
8 in connection with their personal labor therefore cannot earn “gross income”.
9 8. The IRS Form W-2 should indicate “zero” for “wages, tips, and other compensation” in the case of persons who are not
10 engaged in a “trade or business” or a “public office”, regardless of the amount they earned in connection with their labor.

11 Knowing the above, and knowing that there was no definition of “compensation for services” anywhere in the Internal
12 Revenue Code, as it is used in [26 U.S.C. §61\(a\)\(1\)](#), we then searched the I.R.C. and Treasury Regulations for phrases that
13 use the word “services”. The I.R.C. deliberately does not define the word “compensation for services” and the reason they
14 don’t, is that they don’t want you to know that it has to be connected with a “trade or business” in order to be considered
15 “gross income” pursuant to the I.R.C. We therefore had to search the regulations before we found the proper and necessary
16 association between “compensation for services” and the activity actually being taxed, which is a “trade or business”.

17 [26 C.F.R. Sec. 1.469-9 Rules for certain rental real estate activities.](#)

18 (b)(4) **PERSONAL SERVICES.**

19 **Personal services means any work performed by an individual in connection with a trade or business.**
20 *However, personal services do not include any work performed by an individual in the individual's capacity as*
21 *an investor as described in section 1.469-5T(f)(2)(ii).*

22 We also found that labor not connected with a “trade or business” is expressly excluded from the definition of “gross income”:

23 [26 U.S.C. §861 Income from Sources Within the United States](#)

24 (a)(3) "...Compensation for labor or **personal services** performed in the United States shall not be deemed to be
25 income from sources within the United States if-

26 (C) the compensation for labor or services performed as an [employee](#) of or under contract with--

27 (i) a [nonresident alien](#).. not engaged in a **trade or business in the United States**..."

28 The above legal authorities confirm our earlier conclusions, and also confirm the reason why the only thing you can take
29 deductions for within the I.R.C. are ALL connected with a “trade or business”:

30 [TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter B > PART VI > Sec. 162.](#)
31 [Sec. 162.](#) - Trade or business expenses

32 (a) In general

33 *There shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable*
34 *year in carrying on any trade or business, including -*

35 (1) a reasonable allowance for salaries or other compensation for [personal services](#) actually rendered;

36 Noteworthy in the above is that you don’t need deductions if you are not engaged in a “trade or business” because you cannot
37 earn “gross income”. Even if you are in fact engaged in a “trade or business” and a “public office”, you are allowed pursuant
38 to the above to deduct the expenses associated with carrying on that “public office”.

1 **7.5 There is no pointer in 26 U.S.C. §61 which references exclusions for labor, as indicated in**
2 **26 U.S.C. §83 so they don't receive "reasonable notice" of the excludability of labor within**
3 **the code itself.**

4 The I.R.C. tries to hide the relationship between the excludability of the market value of labor from "gross income". For
5 instance, 26 U.S.C. §61(a), which defines "gross income", *obtuse*ly mentions it, but does not directly tell you *where* to look
6 in the hopes that you don't find it:

7 [TITLE 26](#) > [Subtitle A](#) > [CHAPTER 1](#) > [Subchapter B](#) > [PART 1](#) > § 61
8 [§ 61. Gross income defined](#)

9 (a) General definition

10 *Except as otherwise provided in this subtitle [such as I.R.C. Section 83], gross income means all income from*
11 *whatever source derived, including (but not limited to) the following items:*

12 The purpose of law is to give "reasonable notice" of the conduct that is expected. A law that does not point you to all the
13 relevant information necessarily to easily and properly comply with it is vague and undermines its own enforceability. This
14 was confirmed by the U.S. Supreme Court when it said:

15 ***It never has been doubted by this court, or any other, so far as we know, that notice and hearing are preliminary***
16 ***steps essential to the passing of an enforceable judgment,*** and that they, together with a legally competent
17 tribunal having jurisdiction of the case, constitute basic elements of the constitutional requirement of due process
18 of law. The words of Webster, so often quoted, that, by "the law of the land" is intended "a law which hears
19 before it condemns" have been repeated in varying forms of expression in a multitude of decisions. In *Holden v.*
20 *Hardy*, 169 U.S. 366, 389, the necessity of due notice and an opportunity of being heard is described as among
21 the "immutable principles of justice which inhere in the very idea of free government which no member of the
22 Union may disregard." And Mr. Justice Field, in an earlier case, *Galpin v. Page*, 18 Wall. 350, 368-369, said
23 that the rule that no one shall be personally bound until he has had his day in court was as old as the law, and it
24 meant that he must be cited to appear and afforded an opportunity to be heard.

25 *Judgment without such citation and opportunity wants all the attributes of a judicial*
26 *determination; it is judicial usurpation and oppression, and never can be upheld where*
27 *justice is justly administered."*

28 [*Powell v. Alabama*, [287 U.S. 45](#) (1932)]

29 How can you know what they are referring to in [26 U.S.C. §61\(a\)\(1\)](#) with the phrase "Except as otherwise provided in this
30 subtitle" and why do they make it so hard to figure this out? The reason is that they don't want to make it easy for you to
31 reduce your tax liability by taking the proper exclusions, including exclusions for labor. They would rather promote and
32 exploit and profit from your legal ignorance than help you protect your property by making it easy to lessen the control they
33 have over it. They are "predators" rather than "protectors", and in that sense, they have strayed from the purposes of their
34 creation as a government:

35 ***"Property. That which is peculiar or proper to any person; that which belongs exclusively to one. In the strict***
36 ***legal sense, an aggregate of rights which are guaranteed and protected by the government.*** *Fulton Light, Heat*
37 *& Power Co. v. State*, 65 Misc.Rep. 263, 121 N.Y.S. 536. *The term is said to extend to every species of valuable*
38 *right and interest. More specifically, ownership; the unrestricted and exclusive right to a thing; the right to*
39 *dispose of a thing in every legal way, to possess it, to use it, and to exclude every one else from interfering with*
40 *it. That dominion or indefinite right of particular things or subjects. The exclusive right of possessing, enjoying,*
41 *and disposing of a thing. The highest right a man can have to anything; being used to refer to that right which*
42 *one has to lands or tenements, goods or chattels, which no way depends on another man's courtesy.*

43 *The word is also commonly used to denote everything which is the subject of ownership; corporeal or incorporeal,*
44 *tangible or intangible, visible or invisible, real or personal; everything that has an exchangeable value or which*
45 *goes to make up wealth or estate. It extends to every species of valuable right and interest, and includes real and*
46 *personal property, easements, franchises, and incorporeal hereditaments, and includes every invasion of one's*
47 *property rights by actionable wrong. Labberton v. General Cas. Co. of America*, 53 Wash.2d. 180, 332 P.2d.
48 250, 252, 254.

49 [. . .]

1 Property within constitutional protection, denotes group of rights inhering in citizen's relation to physical
2 thing, as right to possess, use and dispose of it. *Cereghino v. State By and Through State Highway Commission,*
3 *230 Or. 439, 370 P.2d. 694, 697."*
4 *[Black's Law Dictionary, Sixth Edition, p. 1216]*

5 If you would like to learn more about the constitutional requirement for "reasonable notice" and how the IRS abuses this
6 requirement for their own advantage, see the following:

Requirement for Reasonable Notice, Form #05.022
<http://sedm.org/Forms/FormIndex.htm>

7 **7.6 The Internal Revenue Code does not talk about the implications of the Constitution, such** 8 **as the Thirteenth Amendment, upon what can be classified as "gross income".**

9 Earlier versions of the Treasury Regulations mentioned the requirements of what was called "fundamental law" upon the
10 Internal Revenue Code. Many of these early statutes were described by Larken Rose in his analysis of the now defunct 861
11 Position. His analysis of the 861 Position is discussed in the Great IRS Hoax, Form #11.302, Sections 5.7.6 through
12 5.7.6.11.10. Below are a few:

13 *Regulations for 1939 Internal Revenue Code*
14 *Section 29.21-1*

15 *"Sec. 29.21-1. Meaning of net income. The tax imposed by chapter 1 is upon income. Neither income*
16 *exempted by statute or fundamental law... enter into the computation of net income as defined by section 21."*

17 The early founding fathers, however, recognized the implication of "fundamental law" upon statutory law when they said in
18 the Federalist Papers the following:

19 *"No legislative act [including a statutory presumption] contrary to the Constitution can be valid. To deny this*
20 *would be to affirm that the deputy (agent) is greater than his principal; that the servant is above the master;*
21 *that the representatives of the people are superior to the people; that men, acting by virtue of powers may do*
22 *not only what their powers do not authorize, but what they forbid...[text omitted]. It is not otherwise to be*
23 *supposed, that the Constitution could intend to enable the representatives of the people to substitute their WILL*
24 *to that of their constituents. It is far more rational to suppose, that the courts were designed to be an intermediate*
25 *body between the people and the legislature, in order, among other things, to keep the latter within the limits*
26 *assigned to their authority. The interpretation of the laws is the proper and peculiar province of the courts. A*
27 *constitution is, in fact, and must be regarded by the judges, as a fundamental law. It therefore belongs to them*
28 *to ascertain its meaning, as well as the meaning of any particular act proceeding from the legislative body. If*
29 *there should happen to be an irreconcilable variance between the two, that which has the superior obligation and*
30 *validity ought, of course, to be preferred; or, in other words, the Constitution ought to be preferred to the statute,*
31 *the intention of the people to the intention of their agents."*
32 *[Alexander Hamilton, Federalist Paper # 78]*

33 Current versions of the Treasury Regulations "conveniently" no longer give "reasonable notice" to the public of the
34 limitations imposed by "fundamental law", meaning the Constitution, upon the Internal Revenue Code and their conduct as
35 "public servants". Instead, they simply refer to these limitations as "law", so that people will not know what they are trying
36 to imply:

37 *26 C.F.R. §1.61-1*

38 *"Sec. 1.61-1 Gross income. (a) General definition. Gross income means all income from whatever source*
39 *derived, unless excluded by law."*
40 *[26 C.F.R. §1.61-1]*

41 What they are trying to do by removing discussions of "fundamental law" from the Internal Revenue Code and Treasury
42 Regulations is:

- 43 1. Prevent you from looking in the Constitution for any kind of deduction or exemption, and thereby ignore or worst yet
44 undermine the enforcement of the Constitution by the government.
- 45 2. Remove mention of Constitutional exemptions from the Internal Revenue Code and Treasury Regulations.

3. Force you to look ONLY in the Internal Revenue Code for a *specific* deduction or exemption. When you look there and don't find deductions for the value of your labor, to conclude that there is none. Nontaxpayers aren't mentioned in the I.R.C., and so they could not and would not find exemptions relating to them in the I.R.C.
4. Capitalize on the ignorance of most Americans about the Constitution. Most public schools no longer teach the Constitution. Only those who enter the law profession now even learn about it.
5. Ignore the implications of the [Thirteenth Amendment](#), which says that involuntary servitude is prohibited. If it is prohibited directly, then it is also prohibited indirectly by, for instance, imposing an involuntary tax upon labor directly. This very fact is the main reason why the income tax described by Subtitle A of the Internal Revenue Code can never be anything but an indirect excise tax upon voluntary, avoidable privileged activities, such as a "trade or business": Because if it was upon labor rather than the activity, then it could not be shifted, would be unavoidable, and therefore constitute slavery in violation of the [Thirteenth Amendment](#).

By removing reasonable notice from the statutes about the limitations imposed by "fundamental law", IRS and the courts who aid and abet their illegal enforcement activities are engaging in the following criminal activities:

1. Slavery in violation of the [Thirteenth Amendment](#).
2. Enticement into slavery in violation of [42 U.S.C. §1994](#).
3. Slavery in violation of [18 U.S.C. §1589](#).

If you would like to learn why, in fact, taxes on labor as property and not upon avoidable, excise taxable activities amount to slavery, we refer you to section 5.7 earlier.

7.7 The nature of the Internal Revenue Code as an excise tax upon "profit" and not "gross receipts" is carefully hidden from the public within IRS publications.

The most pertinent publication relating to the nature of "income" derived from labor is IRS Publication 334:

IRS Publication 334, Tax Guide for Small Businesses
<http://famguardian.org/TaxFreedom/Forms/IRS/IRSPub334.pdf>

The pertinent section in that document is Section 5 entitled "Business Income". This section twice tries to create the *false impression* that ALL EARNINGS of the business are "income", when it says:

5. Business Income

Introduction

If there is any connection between any income you receive and your business, the income is business income. A connection exists if it is clear that the payment of income would not have been made if you did not have the business.

[IRS Publication 334, Chapt 5, p. 21]

Kinds of Income

"You must report on your tax return all income you receive from your business unless it is excluded by law. In most cases, your business income will be in the form of cash, checks, and credit card charges. But business income can be in other forms, such as property or services."

[IRS Publication 334, Chapt 5, p. 22]

8 The REAL Reason the Government Hides the Excludability of Labor

Efforts to conceal the excludability of labor from one's earnings from gross income originate from the following motivations:

1. The income tax is an excise or franchise tax upon "public offices" within the U.S. government. Within the I.R.C., the activity subject to the excise tax upon this franchise is called a "trade or business", which is defined as follows:

[26 U.S.C. §7701\(a\)\(26\)](#)

"The term 'trade or business' includes [is limited to] the performance of the functions of a public office."

For further details on the above, see:

The "Trade or Business" Scam, Form #05.001
<http://sedm.org/Forms/FormIndex.htm>

2. All "taxpayers" within the I.R.C. are public offices within the government. See the following for exhaustive evidence of this fact:

Why Your Government is Either a Thief or You are a "Public Officer" for Income Tax Purposes, Form #05.008
<http://sedm.org/Forms/FormIndex.htm>

3. The real party performing the labor and services is the public office, not the private person. This legal "person":

- 3.1. Is a federal business trust created by the Social Security Form SS-5. See:

Resignation of Compelled Social Security Trustee, Form #06.002
<http://sedm.org/Forms/FormIndex.htm>

- 3.2. Is created by the government, and therefore the exclusive property of the government. The government can only tax what it creates and it didn't create you, but rather God did.

*"What is a Constitution? It is the form of government, delineated by the mighty hand of the people, in which certain first principles of fundamental laws are established. The Constitution is certain and fixed; it contains the permanent will of the people, and is the supreme law of the land; it is paramount to the power of the Legislature, and can be revoked or altered only by the authority that made it. **The life-giving principle and the death-doing stroke must proceed from the same hand.**"*
[\[VanHorne's Lessee v. Dorrance, 2 U.S. 304 \(1795\)\]](#)

*"**The great principle is this: because the constitution will not permit a state to destroy, it will not permit a law including a tax law involving the power to destroy.**"*
[\[Providence Bank v. Billings, 29 U.S. 514 \(1830\)\]](#)

- 3.3. Is what most freedom lovers commonly call the "straw man". See:

Proof that there is a "Straw Man", Form #05.042
<http://sedm.org/Forms/FormIndex.htm>

- 3.4. Is also called a "franchisee".

4. The government knows that the IRS Form 1040 is REALLY a profit and loss statement for the "public office" that is a federal business trust. That trust is the real legal "person" who is performing the services for Uncle Sam under the terms of the I.R.C. Subtitle A "trade or business" franchise/contract agreement.

- 4.1. Since they created the trust, they get to define what constitutes "profit". Common law doesn't apply to computing "profit" because you aren't the "taxpayer", but rather the trust is.
4.2. The "corpus" of the trust is all your private property that you donated to a public use by connecting it with the trustee license number, which is the Social Security Number or Taxpayer Identification Number.
4.3. The trustee is you, who is a public officer. The essence of what it means to be a "public officer" is someone who manages "public property":

*"**Public office.** The right, authority, and duty created and conferred by law, by which for a given period, either fixed by law or enduring at the pleasure of the creating power, an individual is invested with some portion of the sovereign functions of government for the benefit of the public. Walker v. Rich, 79 Cal.App. 139, 249 P. 56, 58. An agency for the state, the duties of which involve in their performance the exercise of some portion of the sovereign power, either great or small. Yaselli v. Goff, C.C.A., 12 F.2d. 396, 403, 56 A.L.R. 1239; Lacey v. State, 13 Ala.App. 212, 68 So. 706, 710; Curtin v. State, 61 Cal.App. 377, 214 P. 1030, 1035; Shelmadine v. City of Elkhart, 75 Ind.App. 493, 129 N.E. 878. State ex rel. Colorado River Commission v. Frohmüller, 46 Ariz. 413, 52 P.2d. 483, 486. **Where, by virtue of law, a person is clothed, not as an incidental or transient authority, but for such time as de- notes duration and continuance, with Independent power to control the property of the public, or with public functions to be exercised in the supposed interest of the people, the service to be compensated by a stated yearly salary, and the occupant having a designation or title, the position so created is a public office.** State v. Brennan, 49 Ohio.St. 33, 29 N.E. 593.
[\[Black's Law Dictionary, Fourth Edition, p. 1235\]](#)*

- 4.4. The trust is a "public office" within the U.S. government.

- 4.5. The "beneficiary" is the government, not you. They LIE to you on the Social Security 800 number by calling you a "beneficiary". Social Security is a public trust and a charitable trust. The only way you can receive a defined benefit under such a trust is as a trustee, because EVERYONE gets an equal benefit within the public of a true charitable trust, including those who never even signed up:

1 “A charitable trust has been broadly defined as one for the benefit of an indefinite class of persons constituting
2 some portion or class of the public⁴² or as one limiting property to some public use. ⁴³ A charitable trust has
3 similarly been defined as a gift in trust for the benefit of the public ⁴⁴ or for the establishment or support of an
4 institution dedicated to the welfare of the public or to a class or part thereof. ⁴⁵ Another statement is that a
5 trust is charitable if it is made for a charitable purpose and the ultimate recipients constitute either the
6 community as a whole or an indefinite portion thereof. ⁴⁶ Actually, the purpose for which property or funds
7 is given and dedicated by the donor is the touchstone, ⁴⁷ and no wholly satisfactory definition of a charitable
8 trust exists or can be drawn without including the elements of benefit to more than a very few people ⁴⁸ in some
9 recognized field of charity. In the light of all the decisions, a simple and acceptable, though not entirely complete,
10 definition of a charitable trust is a gift in some manner dedicated to the ultimate benefit or betterment of the
11 public, or some significant portion thereof, not necessarily involving illegal activities or a use contrary to public
12 policy, for promotion of something within a recognized field of general welfare. ⁴⁹”
13 [American Jurisprudence 2d, Charities, §6, Definition of Charitable Trust (1999)]

14 4.6. The compensation of the trustee is whatever is left over after deductions are taken.

15 4.7. The “grantor” of the trust is the original authors of the Internal Revenue Code, which was first enacted in 1939.

16 4.8. The Internal Revenue Code doesn’t need to be positive law because it activates upon your consent. Anything you
17 consent to is “law” in your case. All franchises, including the “trade or business” franchise, are “contracts”:

18 As a rule, franchises spring from contracts between the sovereign power and private citizens, made upon
19 valuable considerations, for purposes of individual advantage as well as public benefit, ⁵⁰ and thus a franchise
20 partakes of a double nature and character. So far as it affects or concerns the public, it is publici juris and is
21 subject to governmental control. The legislature may prescribe the manner of granting it, to whom it may be
22 granted, the conditions and terms upon which it may be held, and the duty of the grantee to the public in
23 exercising it, and may also provide for its forfeiture upon the failure of the grantee to perform that duty. But
24 when granted, it becomes the property of the grantee, and is a private right, subject only to the governmental
25 control growing out of its other nature as publici juris. ⁵¹
26 [American Jurisprudence 2d, Franchises, §4: Generally (1999)]

27 *Consensus facit legem.*

28 *Consent makes the law. A contract is a law between the parties, which can acquire force only by consent.*

29 [Bouvier’s Maxims of Law, 1856;

30 SOURCE: <http://fanguardian.org/Publications/BouvierMaximsOfLaw/BouviereMaxims.htm>]

31 5. The income tax can be described as “voluntary” only for those who are not “taxpayers” as statutorily defined at 26 U.S.C.
32 §7701(a)(14). Once you volunteer to attach your private property to the “trade or business” franchise using the de-facto
33 license number, which is the “Taxpayer Identification Number” or “Social Security Number”, payment of the tax upon
34 the proceeds, at least the courts will tell you, is no longer “voluntary”, but enforced.

⁴² Hoefler v. Clogan, 171 Ill. 462, 49 N.E. 527; Re Estate of Freshour, 185 Kan 434, 345 P.2d. 689, 81 A.L.R.2d. 806; Voelker v. St. Louis Mercantile
Library Asso. (Mo) 359 S.W.2d. 689; Newton v. Newton Burial Park, 326 Mo. 901, 34 S.W.2d. 118; Noice v. Schnell, 101 N.J.Eq. 252, 137 A. 582, 52
A.L.R. 965, cert den 276 U.S. 625, 72 L.Ed. 738, 48 S.Ct. 304; Mercantile Banking & Trust Co. v. Showacre, 102 W Va 260, 135 S.E. 9, 48 A.L.R.
1138.

⁴³ Ould v. Washington Hospital for Foundlings, 95 U.S. 303, 24 L.Ed. 450; Newton v. Newton Burial Park, 326 Mo. 901, 34 S.W.2d. 118; Webster v.
Wiggin, 19 R.I. 73, 31 A. 824. A charitable trust is a trust implying public utility in its purpose, and if the purpose to be attained is personal, private, or
selfish, it is not charitable; but where the purpose accomplished is that of public usefulness unstained by personal, private, or selfish consideration, its
charitable character insures its validity. Re MacDowell’s Will, 217 N.Y. 454, 112 N.E. 177.

⁴⁴ Estate of Schloss, 56 Cal.2d. 248, 14 Cal.Rptr. 643, 363 P.2d. 875; Re Estate of Sutro, 155 Cal 727, 102 P 920.

⁴⁵ Estate of Schloss, 56 Cal.2d. 248, 14 Cal.Rptr. 643, 363 P.2d. 875; Re Estate of Sutro, 155 Cal 727, 102 P 920.

⁴⁶ Estate of McKenzie, 227 Cal.App.2d. 167, 38 Cal.Rptr. 496, 7 A.L.R.3d. 1275. A charitable trust or a charity is a donation in trust for promoting the
welfare of mankind at large, or of a community, or of some class forming a part of it, indefinite as to numbers or individuals. People ex rel. Ellert v.
Cogswell, 113 Cal 129, 45 P 270.

⁴⁷ §§ 33 et seq., §§ §§ 118 et seq., infra.

⁴⁸ § 73, infra.

⁴⁹ And see, in this respect, State ex rel. Emmert v. Union Trust Co., 227 Ind. 571, 86 N.E.2d. 450, 12 A.L.R.2d. 836, defining a charitable trust as a gift for
the benefit of persons, either by bringing their hearts and minds under the influence of education or religion, by relieving their bodies of disease, suffering,
or constraint, by assisting to establish them for life, by erecting or maintaining public buildings, or in other ways lessening the burdens or making better
the condition of the general public, or some class of the general public, indefinite as to names and numbers, or, in short, a gift to a general public use.

⁵⁰ Georgia R. & Power Co. v. Atlanta, 154 Ga. 731, 115 S.E. 263; Lippencott v. Allander, 27 Iowa 460; State ex rel. Hutton v. Baton Rouge, 217 La. 857,
47 So.2d. 665; Tower v. Tower & S. Street R. Co., 68 Minn. 500, 71 N.W. 691.

⁵¹ Georgia R. & Power Co. v. Atlanta, 154 Ga. 731, 115 S.E. 263; Lippencott v. Allander, 27 Iowa 460; State ex rel. Hutton v. Baton Rouge, 217 La. 857,
47 So.2d. 665; Tower v. Tower & S. Street R. Co., 68 Minn. 500, 71 N.W. 691.

1 We must remember that if the government acknowledged the above truths and pattern of deception:

- 2 1. The government would have a LOT of explaining to do.
- 3 2. The government would have to explain who the REAL “taxpayer” is and HOW you volunteered to become one. Most
- 4 people would then realize that they aren’t the proper subject, submit the corrected withholding paperwork, and stop
- 5 withholding and reporting. See:

[Federal and State Withholding Options for Private Employers, Form #09.001
http://sedm.org/Forms/FormIndex.htm](http://sedm.org/Forms/FormIndex.htm)

- 6 3. Americans would start asking rather pointed questions about how they can lawfully occupy a public office, since:
 - 7 3.1. They don’t work in the District of Columbia and 4 U.S.C. §72 says all such offices may ONLY be exercised there.
 - 8 3.2. They don’t work in an internal revenue district, which 26 U.S.C. §7601 says is the only place the IRS can enforce.
9 The only remaining internal revenue district is the District of Columbia pursuant to Treasury Order 150-02. After
10 we pointed this out, the Dept. of the Treasury removed this order from their website to cover up the truth!
 - 11 3.3. They don’t live in the “United States”, which is defined as the District of Columbia in 26 U.S.C. §7701(a)(9) and
12 (a)(10), 26 U.S.C. §7408(d), and 26 U.S.C. §7701(a)(39) and no part of any state of the Union.
 - 13 3.4. There is no statute that includes states of the Union within any part of the Internal Revenue Code, and that which
14 is not expressly identified is presumed to be purposefully excluded according to the rules of statutory construction,
15 regardless of whether the word “includes” appears in a definition or not:

16 *“Expressio unius est exclusio alterius. A maxim of statutory interpretation meaning that **the expression of one***
17 ***thing is the exclusion of another.** Burgin v. Forbes, 293 Ky. 456, 169 S.W.2d 321, 325; Newblock v. Bowles,*
18 *170 Okl. 487, 40 P.2d. 1097, 1100. Mention of one thing implies exclusion of another. **When certain persons or***
19 ***things are specified in a law, contract, or will, an intention to exclude all others from its operation may be***
20 ***inferred.** Under this maxim, if statute specifies one exception to a general rule or assumes to specify the effects*
21 *of a certain provision, other exceptions or effects are excluded.”*
22 *[Black’s Law Dictionary, Sixth Edition, p. 581]*

23 *“When a statute includes an explicit definition, we must follow that definition, even if it varies from that term’s*
24 ***ordinary meaning.** Meese v. Keene, 481 U.S. 465, 484-485 (1987) (“It is axiomatic that the statutory definition*
25 *of the term excludes unstated meanings of that term”); Colautti v. Franklin, 439 U.S. at 392-393, n. 10 (“As a*
26 *rule, `a definition which declares what a term “means” . . . excludes any meaning that is not stated”); Western*
27 *Union Telegraph Co. v. Lenroot, 323 U.S. 490, 502 (1945) ; Fox v. Standard Oil Co. of N.J., 294 U.S. 87, 95-96*
28 *(1935) (Cardozo, J.); see also 2A N. Singer, Sutherland on Statutes and Statutory Construction § 47.07, p. 152,*
29 *and n. 10 (5th ed. 1992) (collecting cases). That is to say, the statute, read “as a whole,” post at 998 [530 U.S.*
30 *943] (THOMAS, J., dissenting), leads the reader to a definition. That definition does not include the Attorney*
31 *General’s restriction -- “the child up to the head.” Its words, “substantial portion,” indicate the contrary.”*
32 *[Stenberg v. Carhart, 530 U.S. 914 (2000)]*

- 33 4. People would start filing criminal complaints against those who file information returns against them pursuant to 18
- 34 U.S.C. §912. Those who file information returns against those not actually engaged in a “trade or business” and a “public
- 35 office” as required by 26 U.S.C. §6041(a) are guilty of impersonating a public officer within the government in criminal
- 36 violation of 18 U.S.C. §912. See:

[Correcting Erroneous Information Returns, Form #04.001
http://sedm.org/Forms/FormIndex.htm](http://sedm.org/Forms/FormIndex.htm)

- 37 5. Once the government started prosecuting a few of the filers of these false information returns:
 - 38 5.1. The flow of plunder would stop nationally.
 - 39 5.2. There would be no need to exclude labor from gross income because most people would no longer earn “gross
 - 40 income”.
 - 41 5.3. Government revenues would significantly decrease because nearly all of them are a product of criminal activity
 - 42 and money laundering on the part of private employers, withholding agents, and banks who have no lawful way
 - 43 they can function as a public office and therefore effectively are acting as money launderers for the government.
 - 44 5.4. Many in the tax profession, such as tax return preparers and tax lawyers would have to find other, more productive
 - 45 work.
 - 46 5.5. Payroll withholding would be grossly simplified, leading to layoffs in the payroll industry, because there would be
 - 47 far less withholding.
- 48 6. The government would lose the ability to regulate the supply of fiat currency. The main purpose of the income tax, in
- 49 fact, is to retire excess fiat currency from circulation that was created by the Federal Reserve counterfeiting franchise.
- 50 This would FORCE them to go back to the REAL money mandated by our Constitution and force the President to
- 51 withdraw the state of national emergency that keeps us running on a fraudulent fiat currency system. See:

[The Money Scam, Form #05.041](#)

7. Many different judges and IRS agents would be in very deep yogurt because there would then be precedent that could be used to prosecute them for violation of rights.

Consequently, because of the social dislocation that would occur and the far-ranging economic and political effects, effects, federal judges and IRS agents are under extreme pressure to protect the lies, fraud, and deceit from exposure that is at the heart of the current de facto fraudulent tax system. The problem is not the law, but:

1. How it is administered dishonestly.
2. How it is misrepresented to the American public.
3. How the judiciary is used to protect the wrongdoers who are violating the law in administering it.
4. How those who expose the truths such as those found here become the target of unwarranted persecution.

Like a drug addict who has to protect their ability to get their next “fix”, they have to perpetuate lies about the stealing they are doing to pay for their drug habit. The “drug”, in this case, metaphorically speaking, is “other people’s money”. Money, we should remember is the mother’s milk of politics, the source of most political power, and the love of it is the root of all evil, according to the Bible:

“For the love of money is the root of all evil: which while some coveted after, they have erred from the faith, and pierced themselves through with many sorrows.

*But thou, O man of God, **flee these things; and follow after righteousness, godliness, faith, love, patience, meekness.***

***Fight the good fight of faith, lay hold on eternal life, whereunto thou art also called, and hast professed a good profession before many witnesses.”**
[1 Timothy 6:5-12, Bible, NKJV]*

The beauty of those who lie is that eventually, you can catch them because something they will say eventually will be inconsistent with itself. Those who have read this document will be able to quickly pinpoint exactly where the lie is. Deceivers in the IRS and the judiciary eventually are then caught in the web of their own making. Consequently, omission, cover-up, and silence coerced by law are the easiest approach to prolong the stealing to perpetuate the drug habit. Government cover-up of the scam therefore takes the following more common deceptive forms:

1. Refusing to tell you how to un-volunteer.
2. Hiding methods to quit Social Security from their website.
3. Denying that you have the right to quit Social Security even after you send them all the correct paperwork.
4. Refusing to define exactly what the subject of the tax is, which is the “trade or business” activity.
5. Refusing to acknowledge that I.R.C. Subtitle A is, in fact, an excise or franchise tax upon the “trade or business” activity, even though the law plainly proves this.
6. Refusing to correct false information returns connecting you to the “trade or business” franchise.
7. Trying to divert attention away from the truth by fraudulently claiming that the I.R.C. Subtitle A is a “direct, unapportioned tax”.
8. Asserting the Declaratory Judgments Act, 28 U.S.C. §2201(a) as an excuse for why they don’t have to admit any of the above by saying they aren’t allowed to make declaratory judgments and therefore can’t declare your status. Then if you give them an affidavit making all the above a fact, they will contradict their own statement that they can’t make a declaratory judgment by telling you that you are wrong! The snake that is a de facto government speaketh with forked tongue, folks!

9 Rebutted Arguments Against the Conclusions In This Pamphlet

This section rebuts arguments made by federal courts against the content of this pamphlet. It will show that the conclusions of this pamphlet are consistent with the most common findings and yet still permit refunds of earnings from labor. What all the plaintiffs have in common are the following:

1. All of the litigants were described as “taxpayers” and none of them apparently disputed this determination. They acted like “taxpayers” by using only IRS approved forms that indicated they were “taxpayers”. This made them the proper

subject for penalties and the “person” defined in 26 U.S.C. §6671(b) who is the proper subject of penalties, because they were “public officers” engaged in a “trade or business”. To prevent this problem, all of our members:

1.1. Can only be “nontaxpayers”.

1.2. Must dispute the “taxpayer” determination and emphasize that the courts may not lawfully make a “nontaxpayer” into a “taxpayer”.

1.3. May not use any IRS approved form, but must use substitute forms that correctly represent their status and prevent the false presumption that they are “taxpayers”.

2. All of them took deductions on their tax returns using IRS Schedule C.

2.1. IRS Schedule C is not the point at which “gross income” from labor is reduced. It is reduced BEFORE it is entered on a tax return. See section 5.6 for details.

2.2. Only those engaged in the “trade or business” excise taxable franchise can take any kind of “deduction” from gross income appearing on a tax return. This is confirmed by 26 U.S.C. §162 and IRS publications.

3. The litigants in error used the word “refund” to describe what they were doing.

3.1. They can’t use any word found in the I.R.C. or cite any provision of the I.R.C. in their defense, because then they would betray themselves as “taxpayers”.

“The revenue laws are a code or system in regulation of tax assessment and collection. They relate to taxpayers, and not to nontaxpayers. The latter are without their scope. No procedure is prescribed for nontaxpayers, and no attempt is made to annul any of their rights and remedies in due course of law. With them Congress does not assume to deal, and they are neither of the subject nor of the object of the revenue laws...”
[Long v. Rasmussen, 281 F. 236 (1922)]

“Revenue Laws relate to taxpayers [officers, employees, instrumentalities, and elected officials of the Federal Government] and not to non-taxpayers [American Citizens/American Nationals not subject to the exclusive jurisdiction of the Federal Government and who did not volunteer to participate in the federal “trade or business” franchise]. The latter are without their scope. No procedures are prescribed for non-taxpayers and no attempt is made to annul any of their Rights or Remedies in due course of law.”
[Economy Plumbing & Heating v. U.S., 470 F.2d. 585 (1972)]

“And by statutory definition, ‘taxpayer’ includes any person, trust or estate subject to a tax imposed by the revenue act. ...Since the statutory definition of ‘taxpayer’ is exclusive, the federal courts do not have the power to create nonstatutory taxpayers for the purpose of applying the provisions of the Revenue Acts...”
[C.I.R. v. Trustees of L. Inv. Ass’n, 100 F.2d. 18 (1939)]

3.2. If they use a word that could be confused with one found in the I.R.C., they must redefine it on every form they submit using the following attachment to every submission to prevent the kind of presumptions that the court obviously made about their status as “taxpayers”:

Tax Form Attachment, Form #04.201

<http://sedm.org/Forms/FormIndex.htm>

4. The litigants did not properly argue the subject of labor being property as described earlier in section 5.4 nor did they pose controversies that would put the court in the corner on this subject, such as:

4.1. The Supreme Court said that all labor is property.

4.2. All property has value, which is why people are willing to pay for it.

4.3. If the court wishes to impute no value to it, then please answer why people are willing to pay for it.

4.4. If the court determines that labor has no value, then any amount paid for it is a “gift”, and receipt of all gifts are not taxable.

4.5. The labor was not accomplished in connection with any franchise, including a “trade or business”, that might cause a surrender of rights in relation to it. Therefore, the government may not take it without just compensation.

5. They all filed IRS Form 1040’s, which are only for use by “taxpayers” domiciled within the “United States”.

5.1. The persons who use the arguments in this pamphlet cannot file IRS Form 1040’s as Members, and must instead file a Federal Nonresident Tax Statement because they are nonresident aliens not engaged in the “trade or business” franchise as defined in 26 C.F.R. §1.871-1(b)(i). When you use IRS approved forms, you are presumed to be a “taxpayer”, which is confirmed by the perjury statement on each form.

5.2. Nonresident persons such as members of this ministry cannot lawfully be penalized. Only those with a domicile in the forum who are “U.S. persons” can therefore be the subject of penalties. The only “taxpayer” subject to penalties in the case of nonresident aliens is the withholding agent for the nonresident alien pursuant to 26 U.S.C. §1461.

6. All of the Petitioners had received IRS Form W-2’s. The only way you can receive an IRS Form W-2 is to file an IRS Form W-4, and none of them argued that they either never submitted this form or that if it was submitted, it was done under duress and therefore did not constitute an enforceable “agreement” that would have lawfully connected their labor to the “trade or business” franchise or a “public use”:

1 “Men are endowed by their Creator with certain unalienable rights, -life, liberty, and the pursuit of happiness;’
2 and to ‘secure,’ not grant or create, these rights, governments are instituted. That property [or income] which a
3 man has honestly acquired he retains full control of, subject to these limitations: First, that he shall not use it
4 to his neighbor’s injury, and that does not mean that he must use it for his neighbor’s benefit; second, that
5 if he devotes it to a public use [a “public office” or a “trade or business”,
6 in this case] he gives to the public a right to control that use [through the
7 mechanism of the Internal Revenue Code]; and third, that whenever the public needs
8 require, the public may take it upon payment of due compensation.
9 [Budd v. People of State of New York, 143 U.S. 517 (1892)]

10 A person who is not engaged in a “trade or business” and who does not voluntarily submit IRS Form W-4 cannot lawfully
11 have an IRS Form W-2 filed against them and cannot earn reportable “wages”. Hence, there was a valid presumption in
12 the regulations binding each of the mistaken litigants that everything they earned in the context of the W-4 agreement in
13 place was both “gross income” and “wages” connected with the “trade or business” excise taxable franchise.

14 [§31.3402\(p\)-1 Voluntary withholding agreements.](#)

15 (a) In general.

16 An employee and his employer may enter into an agreement under section 3402(b) to provide for the withholding
17 of income tax upon payments of amounts described in paragraph (b)(1) of §31.3401(a)-3, made after December
18 31, 1970. An agreement may be entered into under this section only with respect to amounts which are
19 includible in the gross income of the employee under section 61, and must be applicable to all such amounts
20 paid by the employer to the employee. The amount to be withheld pursuant to an agreement under section 3402(p)
21 shall be determined under the rules contained in section 3402 and the regulations thereunder. See §31.3405(c)-
22 1, Q&A-3 concerning agreements to have more than 20-percent Federal income tax withheld from eligible
23 rollover distributions within the meaning of section 402.
24

25 [26 C.F.R. §31.3401\(a\)-3 Amounts deemed wages under voluntary withholding agreements](#)

26 (a) In general.

27 Notwithstanding the exceptions to the definition of wages specified in section 3401(a) and the regulations
28 thereunder, the term “wages” includes the amounts described in paragraph (b)(1) of this section with respect
29 to which there is a voluntary withholding agreement in effect under section 3402(p). References in this chapter
30 to the definition of wages contained in section 3401(a) shall be deemed to refer also to this section (§31.3401(a)-
31 3).

32 (b) Remuneration for services.

33 (1) Except as provided in subparagraph (2) of this paragraph, the amounts referred to in paragraph (a) of this
34 section include any remuneration for services performed by an employee for an employer which, without
35 regard to this section, does not constitute wages under section 3401(a). For example, remuneration for services
36 performed by an agricultural worker or a domestic worker in a private home (amounts which are specifically
37 excluded from the definition of wages by section 3401(a) (2) and (3), respectively) are amounts with respect to
38 which a voluntary withholding agreement may be entered into under section 3402(p). See §§31.3401(c)-1 and
39 31.3401(d)-1 for the definitions of “employee” and “employer”.

- 40 7. None of the litigants correctly challenged the original IRS Form W-2’s:
41 7.1. They never explained why the IRS Form W-2’s submitted were false, illegal in violation of [26 U.S.C. §7434](#), and
42 in error because they were not engaged in a “trade or business”, which is the real excise taxable activity that is the
43 subject of I.R.C. Subtitle A. See:
44

Correcting Erroneous IRS Form W-2’s, Form #04.006 http://sedm.org/Forms/04-Tax/FormW2/CorrectingIRSFoRMW2.htm
--

45 7.2. Many of them included the original IRS Form W-2’s, which is a mistake because they were false. You never give
46 your opponent ammunition to discredit you. They should have submitted corrected AMENDED information
47 returns that are NOT W-2’s ONLY and not included the original forms. This would remove them from a connection
48 with federal agency or employment.
49 7.3. By including the original IRS Form W-2’s attached to a 1040 tax return signed under penalty of perjury, they
attested to the accuracy of the original form W-2’s, which was REALLY dumb.

1 8. The IRS lawfully penalized all the participants for submitting “frivolous returns” because they never rebutted the fact
2 that they were engaged in a “public office” and a “trade or business” as defined in [26 U.S.C. §7701\(a\)\(26\)](#). The I.R.C.
3 Subtitle A is an excise tax upon this activity and they never rebutted the presumption established by the W-2 that they
4 were engaged in this activity. As such, they remained the proper “person” who is subject of penalties as defined in 26
5 U.S.C. §6671(b), since they were an officer of the United States federal corporation. A “public officer” within the United
6 States fits the following description of “person”:

7 [TITLE 26 > Subtitle F > CHAPTER 68 > Subchapter B > PART I > § 6671](#)
8 [§ 6671. Rules for application of assessable penalties](#)

9 (b) Person defined

10 *The term “person”, as used in this subchapter, includes an **officer or employee of a corporation** [the United
11 States government, in this case, which 28 U.S.C. §3002(15)(A) defines as a federal corporation], or a member or
12 employee of a partnership, who as such officer, employee, or member is under a duty to perform the act in respect
13 of which the violation occurs.*

14 If you would like a way to present the issue described in this pamphlet that has not been controverted in court that we are
15 aware and which will avoid the failures described in the following subsections, refer to section 13 later.

16 **9.1 Hyslep v. U.S., 765 F.2d. 1083 (1985)**

17 *Appellant/taxpayer Hyslep filed a 1982 tax return form (Form 1040) on which he stated he received \$44,232.64
18 in wages. He deducted, as an adjustment to income, the full amount of wages received, claiming that he was a
19 “source-exchanger” and that therefore his wages were “non-taxable.” Accordingly, he sought a refund of all
20 income taxes withheld from wages.*

21 *Hyslep was assessed a \$500 civil penalty under I.R.C. (26 U.S.C.) [§ 6702 ENL](#) for filing a frivolous return. He then
22 filed this suit under [I.R.C. §6703\(c\)](#) for a refund of the penalty assessed. The district court granted summary
23 judgment in favor of the government. We affirm.*

24 *On appeal, Hyslep asserts arguments long held to be frivolous. See, e.g., [Davis v. United States, 742 F.2d. 171,](#)
25 [172 \(5th Cir.1984\)](#); [Lonsdale v. Commissioner, 661 F.2d. 71, 72 \(5th Cir.1981\)](#). He argues that the Secretary of
26 Treasury did not sustain his burden of proving a private individual is liable for tax; that the government does not
27 have subject matter jurisdiction to tax him on all receipts; that he is not an individual subject to tax; that he did
28 not derive any taxable profits (because wages received in compensation for labor are not taxable income); that
29 he did not file a return; and that he was entitled to a jury trial.*

30 *The Constitution grants Congress the power to tax “incomes, from whatever source derived, without
31 apportionment among the several states.” [U.S. Const. amend. XVI](#). “Exercising this power, Congress has defined
32 income as including compensation for services. [26 U.S.C. §61\(a\)\(1\)](#).” [Lonsdale, 661 F.2d. at 72](#). There is no
33 provision in the Internal Revenue Code permitting an individual wage earner to adjust his gross income by
34 deducting a charge for the “value of labor.” Thus, the argument that individual wage earners are not subject to
35 income tax is completely frivolous and without merit. See, e.g., [Simanonok v. Commissioner, 731 F.2d. 743, 744](#)
36 [\(11th Cir.1984\)](#); [Lonsdale, 661 F.2d. at 72](#).*

37 *Taxpayer’s 1982 return plainly falls within the scope of [section 6702](#), justifying the \$500 penalty. The completed
38 and signed Form 1040, filed in order to obtain a refund of taxes withheld from wages, is a “purported return”
39 for [section 6702](#) purposes. See [Madison v. United States, 752 F.2d. 607, 609 \(11th Cir.1985\)](#). The return contains
40 information on its face indicating that the self-assessment was substantially incorrect and that taxpayer’s conduct
41 was based on a position which is frivolous. [Id.](#); [Davis v. United States, 742 F.2d. 171 \(5th Cir.1984\)](#); [Holker v.](#)
42 [United States, 737 F.2d. 751 \(8th Cir.1984\)](#). Therefore, the district court properly granted summary judgment in
43 favor of the government.
44 [*Hyslep v. U.S., 765 F.2d. 1083 (1985)*]*

45 **9.2 Davis v. U.S., 742 F.2d. 171 (1984)**

46 *In April 1983, taxpayers Melvin and Maria Davis filed a Form 1040 (individual income tax return) for their 1982
47 taxable year. **Taxpayers** claimed four exemptions and itemized deductions of \$6,946. They reported no income,
48 however, from “wages, salaries, [or] tips,” nor any other “gross income,” even though the four Forms W-2 from
49 their employers in 1982 that were attached to the return indicated they had received in excess of \$60,000 in wages
50 or other compensation for that year.*

51 *Instead, taxpayers claimed a business loss of \$3,551. They calculated this loss by reducing the amount of gross
52 receipts by the “cost of labor” (an amount equal to the amounts of wages and other compensation shown on the*

Forms W-2) and by the costs of “materials and supplies” (in amounts ranging up to \$40). In addition, taxpayers claimed deductions for “car and truck expenses” and “laundry and cleaning.”

The IRS determined that the return fell within the “frivolous return” penalty provisions of [26 U.S.C. §6702](#) and accordingly assessed the \$500 penalty provided by the statute. Pursuant to [26 U.S.C. § 6703\(c\)](#), taxpayers paid 15% of the assessed penalty and filed a claim for refund. After their claim was denied, they timely filed a suit for refund, additionally seeking a refund of \$33,444 in taxes paid by them from 1979 through 1982 and \$50,000,000 in damages for “mental and physical suffering.” The district court granted the government’s motion for summary judgment. From this judgment taxpayers appeal.

The IRS may impose a \$500 penalty on any individual who files “what purports to be” a tax return when such return (1) contains information that on its face indicates that the self-assessment is substantially incorrect, and (2) is based on a frivolous position. [26 U.S.C. §6702](#). The return filed here by taxpayers clearly constitutes a return falling within these provisions.

First, taxpayers’ Form 1040, on its face, indicates that the self-assessment is substantially incorrect. The attached Forms W-2 demonstrate that taxpayers earned over \$60,000 in wages during 1982. The return, however, failed to include any of the wages in gross income.

Second, taxpayers’ reasons for failing to include the income are clearly frivolous and have been rejected by us time and time again. For example, taxpayers contend that the income tax is an excise tax applicable only against special privileges and not assessable against income in general; “[a]t this late date, it seems incredible that we would again be required to hold that the Constitution, as amended, empowers the Congress to levy an income tax against any source of income, without the need ... to classify it as an excise tax applicable to specific categories of activities.” [Parker v. CIR, 724 F.2d. 469, 471 \(5th Cir.1984\)](#). Taxpayers also argue that an individual receives no taxable gain from the exchange of labor for money because the wages received are offset by an equal amount of “costs of labor.” We held this contention meritless in [Lonsdale v. CIR, 661 F.2d. 71, 72 \(5th Cir.1981\)](#). We also reject taxpayers’ claim that the Fifth Amendment entitles them to refuse to file adequate returns; they have not demonstrated any “real danger” of self-incrimination, nor is such danger readily apparent. [Steinbrecher v. CIR, 712 F.2d. 195, 197-98 \(5th Cir.1983\)](#). Taxpayers’ remaining justifications for filing an inadequate return are equally frivolous and without merit. ^{FBI}

Taxpayers argue that [§ 6702](#) does not apply to them in that the Form 1040 that they filed was not a “purported return.” While taxpayers did write on the forms the words “not a tax return,” the form was undeniably filed to obtain a refund of the taxes withheld from their wages for which the filing of a return is necessary. [26 C.F.R. §301.6402-3\(a\)\(1\) \(1983\)](#). As stated a district court that recently faced this same situation:

Since the plaintiffs’ stated purpose was to obtain a refund, the documents submitted must be deemed to be purported tax returns for purposes of [Section 6702](#). It is true that the plaintiffs wrote on the forms that they were not returns, but this disclaimer has no effect in light of the plaintiffs’ stated purpose to have the documents treated as returns. If such a disclaimer were sufficient to avoid liability under [Section 6702](#), tax protesters could flood the IRS with frivolous tax returns bearing similar disclaimers without penalty.”

[Nichols v. United States, 575 F.Supp. 320, 322 \(D.Minn.1983\)](#). Thus, the Form 1040 was a purported return, and the district court correctly granted summary judgment on the issue of the penalty under [§ 6702](#). [Davis v. U.S., 742 F.2d. 171 (1984)]

9.3 Olson v. U.S., 760 F.2d. 1003 (1985)

Lloyd R. Olson filed an unsigned Form 1040 (individual income tax return) for 1982 on which he listed his wages as zero and cautioned that it was not a return. Attached to the Form 1040 was a W-2 form showing that Olson had been paid \$53,417.69 in wages in 1982 (which Olson had marked “Incorrect”), a Schedule C profit or loss statement in which Olson offset the wages he received by a greater amount of “cost of labor” and other deductions purportedly incurred in earning his wages, and a letter stating that he had studied the tax laws and determined that he owed no taxes because he had not obtained any privilege from a governmental agency in 1982. He asserted that he filed the Form 1040 only to obtain a refund and not with the intent to file a return.

The Internal Revenue Service (“INS”) attempted to have Olson sign the Form 1040 and complete a proper return. Olson refused. The IRS then assessed a \$500 civil penalty against Olson pursuant to [section 6702 of Title 26 of the United States Code](#). Olson paid fifteen percent of the assessment (\$75) and demanded abatement of the penalty, but the IRS disallowed his refund claim.

*1005 Olson then filed a complaint for a refund in the district court. The government moved for judgment on the pleadings and the district court dismissed the action with prejudice. Olson appeals to this court.

[Section 6702](#) authorizes the imposition of a \$500 civil penalty on any individual who, from a frivolous position or a desire (which appears on the face of the purported return) to delay or impede the administration of the tax laws, files what purports to be a tax return which either does not contain sufficient information to judge the

1 substantial correctness of the self-assessment or contains information that indicates on its face that the self-
2 assessment is substantially incorrect. Olson contends that he did not file “what purports to be a [tax] return”
3 and that his filing was not frivolous. These arguments are without merit.

4 Although Olson wrote the words “not a return” on the Form 1040 he filed, he acknowledges that he filed the
5 form to obtain a refund of the taxes withheld from his wages in 1982. Because a taxpayer may not obtain a refund
6 without first filing a return, [26 C.F.R. §301.6402-3\(a\)\(1\)](#), the form filed by Olson should be construed to be a
7 “purported” return. [Davis v. United States, 742 F.2d. 171, 173 \(5th Cir.1984\)](#); [Holker v. United States, 737 F.2d.](#)
8 [751, 752 \(8th Cir.1984\)](#).

9 The form also contained information that on its face showed that Olson's self-assessment was substantially
10 incorrect. Olson listed his wages, salaries, and tips as zero, yet his W-2 form indicated that he had received in
11 excess of \$50,000 in wages. He made no attempt to explain this discrepancy beyond writing the word “incorrect”
12 on the W-2 form. Thus, the IRS also could not judge the substantial correctness of the return.

13 Further, Olson's attempts to escape tax by deducting his wages as “cost of labor” and by claiming that he had
14 obtained no privilege from a governmental agency illustrate the frivolous nature of his position. This court has
15 repeatedly rejected the argument that wages are not income as frivolous, see, e.g., [Gattuso v. Pecorella, 733 F.2d.](#)
16 [709, 710 \(9th Cir.1984\)](#); [United States v. Romero, 640 F.2d. 1014, 1016 \(9th Cir.1981\)](#), and has also rejected
17 the idea that a person is liable for tax only if he benefits from a governmental privilege. See [United States v.](#)
18 [Buras, 633 F.2d. 1356, 1361 \(9th Cir.1980\)](#). Therefore, the district court properly found that Olson was liable
19 under [section 6702](#) for filing a frivolous tax return. See [Davis v. United States, 742 F.2d. 171 \(5th Cir.1984\)](#);
20 [Holker v. United States, 737 F.2d. 751 \(8th Cir.1984\)](#).

21 The remaining issues are easily resolved and likewise meritless. The IRS clearly had jurisdiction to assess the
22 penalty against Olson, see U.S. Const. art. I, § 8; [26 U.S.C. §6201](#). The district court properly denied Olson a
23 jury trial because there were no material facts in dispute but only issues of law. See Ex parte [Peterson, 253 U.S.](#)
24 [300, 310, 40 S.Ct. 543, 546, 64 L.Ed. 919 \(1920\)](#); [Davis v. United States, 742 F.2d. at 173](#); [Holker v. United](#)
25 [States, 737 F.2d. at 752](#).

26 The judgment of the district court is therefore affirmed. Because Olson has raised totally meritless arguments,
27 we characterize this appeal as frivolous. It is within our discretion to impose double costs and attorney fees for
28 such frivolous appeals. [Fed.R.App.P. 38](#); [Hatch v. Reliance Insurance Co., 758 F.2d. 409, 416 \(9th Cir.1985\)](#);
29 [Davis v. United States, 742 F.2d. at 173](#). We therefore impose attorney fees in the sum of \$1,000 and double costs
30 on Olson.
31 *[Olson v. U.S., 760 F.2d. 1003 (1985)]*

32 10 Conclusions

33 In law, the labor of a human being is property because all rights are property. The exchange of labor as property for another
34 type of property, being money, is an *equal* exchange which renders no “profit” and therefore no “income”. If this is true for
35 businesses and if the Declaration of Independence makes all men or “persons” equal, then it must also be true for human
36 beings. To suggest otherwise is to establish a title of nobility in violation of Article 1, Section 9, Clause 8 of the United States
37 Constitution, whereby all “persons” are not equal or where businesses are more equal than human beings.

38 State and federal tax authorities are operating under conflicting and hypocritical rules which in effect create a title of nobility
39 for businesses that human beings or individuals do not enjoy:

- 40 1. **Businesses:** Can deduct the cost of labor from gross revenues when computing profit and therefore “gross income”.
- 41 2. **Individuals:** Cannot exclude the value of labor from gross income:
 - 42 2.1. When computing “gross income” pursuant to [26 U.S.C. §61](#), the government insists that “all property” received is
43 subject to the tax, including labor of a human being.
 - 44 2.2. On the other hand, when computing profit, they insist that the labor has no value or cost, that labor is NOT therefore
45 “property”, and therefore that the entire amount received as compensation for the labor is “gross income”. Hence,
46 the entire amount indicated on the W-2 constitutes “profit” and is entered directly on the 1040 form as profit.

47 The government can't have it both ways. If labor is property in the context of computing profit and gross income for
48 businesses, then it must also be property for human beings in computing “profit” on a 1040 return. The government would
49 explain away this contradiction by saying that the standard deduction one takes for oneself accounts for the cost of producing
50 the labor, but we disagree. The amount EXCLUDED from gross receipts in computing gross income must be the VALUE
51 of the labor, not the cost of producing the labor. The value of the labor, in turn, is the amount people are willing to pay for
52 it.

1 To assign a value of zero to the labor one contributes essentially means or implies one or more of the following:

- 2 1. Labor is not property and therefore has no value.. .OR
- 3 2. The labor of the human being was donated to a public use or a public office FOR FREE before it was rendered and
- 4 therefore constitutes profit in its entirety.

5 The above seeming contradiction is no accident, but simply evidence of a violation of equal protection, injustice, and
6 hypocrisy that results from the love for YOUR money by greedy public servants.

7 *"For the love of money is a root of all kinds of evil, for which some have strayed from the faith in their greediness,*
8 *and pierced themselves through with many sorrows."*
9 *[1 Tim. 6:10, Bible, NKJV]*

10 The reason behind the contradiction and hypocrisy is also explained by the following:

- 11 1. The nature of the income tax as an excise or franchise tax upon a "trade or business", which is defined in 26 U.S.C.
12 §7701(a)(26) as "the functions of a public office" in the U.S. government. See:

The "Trade or Business" Scam, Form #05.001
<http://sedm.org/Forms/FormIndex.htm>

- 13 2. The fact that all "taxpayers" are public offices" in the government and that the human being is not the "taxpayer", but
14 surety for the "taxpayer".
- 15 3. The fact that income tax returns essentially amount to "profit and loss statements" for federal business trusts created
16 under the authority of the Social Security Act. See:

Resignation of Compelled Social Security Trustee, Form #06.002
<http://sedm.org/Forms/FormIndex.htm>

- 17 4. The fact that the tax or refund due at the bottom of a tax return computes how much "kickback" must be returned to the
18 mother corporation that is the beneficiary of the Social Security trust, which is the "United States" federal corporation.
19 See:

Great IRS Hoax, Form #11.302, Section 5.6.10
<http://fanguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm>

- 20 5. The fact that you don't become a STATUTORY "taxpayer" and therefore a "public officer" without your consent.
21 5.1. You must first voluntarily select a domicile or residence on federal territory called the "United States" before you
22 can be a person subject to federal statutory law. This is typically done by committing fraud on the Social Security
23 Form SS-5 application. See:

Why Domicile and Becoming a "Taxpayer" Require Your Consent, Form #05.002
<http://sedm.org/Forms/FormIndex.htm>

- 24 5.2. You must then sign a contract or agreement called a W-4 in order to create a "public office" to serve within. This
25 agreement is the method by which you voluntarily donate your formerly private property labor to a "public use",
26 "public office", and "public purpose" and thereby become the equivalent of a "Kelly Girl" for your new employer,
27 Uncle Sam, who then loans you out to private companies as their whore.

28 *"Men are endowed by their Creator with certain unalienable rights, -life, liberty, and the pursuit of happiness;'*
29 *and to 'secure,' not grant or create, these rights, governments are instituted. **That property [or income] which a***
30 ***man has honestly acquired he retains full control of, subject to these limitations: First, that he shall not use it***
31 ***to his neighbor's injury, and that does not mean that he must use it for his***
32 ***neighbor's benefit [e.g. SOCIAL SECURITY, Medicare, and every other***
33 ***public "benefit"]**; second, that if he devotes it to a public use, he gives to the public a right to control*
34 ***that use; and third, that whenever the public needs require, the public may take it upon payment of due***
35 ***compensation.**"*
36 *[Budd v. People of State of New York, 143 U.S. 517 (1892)]*

- 37 5.3. The W-4 mechanism is the method to convert earnings from private labor into "wages" as legally defined, which
38 are revenues connected with the public office instead of your own private earnings. See 26 C.F.R. §31.3401(a)-
39 3(a), 26 C.F.R. §31.3402(p)-1.

- 40 6. The fact that the government and the IRS have taken great pains to hide the nature of the tax as a voluntary excise or
41 franchise tax upon a "trade or business" so that the process of donating your private property to a public use, public
42 purpose, and public office is invisible but lawful. They do this because:

- 6.1. They don't want to admit to Americans that income taxes are voluntary and the precise method by which they volunteer, because if they knew, most people would unvolunteer.
- 6.2. They don't want to talk about the fact that Americans in states of the Union cannot lawfully participate in the "trade or business" franchise.
- 6.3. They want to deceive the public into believing that income taxes are direct, unapportioned tax applicable to states of the Union so that Americans would falsely believe that it is mandatory and unavoidable and would not look for ways to unvolunteer.

If you would like to litigate against the government for what essentially amounts to UNCONSTITUTIONAL SLAVERY for all of the above tactics, the following evidence should prove useful:

1. *Truth in Taxation Hearings*, Section 2: Right to Labor, We the People
<https://truthintaxationhearings.famguardian.org>
2. *Proof that Involuntary Income Taxes on Your Labor are Slavery*, Form #05.055
<https://sedm.org/Forms/FormIndex.htm>

11 How to submit a claim for return of unlawfully withheld earnings derived from labor using IRS Form 1040NR

The following procedure describes how compliant members may request a refund of all W-4 withholding when filing a claim for refund of taxes illegally or wrongfully withheld.

WARNING: You cannot use this procedure if you voluntarily submitted an IRS Form W-4 to your private employer and do not dispute it when filing. 26 C.F.R. §31.3402(p)-1 says that all earnings in connection with such an agreement are "gross income" and therefore may not be reduced using the techniques documented in this pamphlet. The ONLY way you can use this procedure is to comply fully with our Member Agreement and to use the withholding forms described therein, which include:

1. *W-8SUB*, Form #04.231-substitute W-8 the correctly describes the EXCLUSIVELY PRIVATE status of the worker with no withholding, reporting, or SSN/TIN.
<https://sedm.org/Forms/04-Tax/2-Withholding/W-8SUB.pdf>
2. *About IRS Form W-8BEN*, Form #04.202
<http://sedm.org/Forms/FormIndex.htm>.
3. *Affidavit of Citizenship, Domicile, and Tax Status*, Form #02.001.
<http://sedm.org/Forms/FormIndex.htm>

The following instructions pertain to filing a claim for return of unlawfully withheld earnings of a nonresident alien nontaxpayer not engaged in a "trade or business" as described in 26 C.F.R. §1.871-1(b)(i) based on the arguments described in this pamphlet.

1. You should be very careful about what forms you submit:
 - 1.1. You should use forms off our website at the address below:
 - 1.1.1. *How to File Returns*, Form #09.074**
<https://sedm.org/product/filing-returns-form-09-074/>
 - 1.1.2. *Procedure to File Tax Returns*, Form #09.075**
<https://sedm.org/product/procedure-to-file-tax-returns-form-09-075/>
 - 1.1.3. *1040NR Attachment*, Form #09.077
<https://sedm.org/Forms/09-Procs/1040NR-Attachment.pdf>
 - 1.1.4. *W-2CC*, Form #04.304-indicates duress in submitting the W-4 and that W-2 is FALSE
<https://sedm.org/Forms/04-Tax/3-Reporting/FormW-2CC-Cust/FormW-2CC.pdf>
 - 1.1.5. *W-8SUB*, Form #04.231-documents lack of requirement to withhold, report, or provide an SSN or TIN. Include with the 1040NR as enclosure.
<https://sedm.org/Forms/04-Tax/2-Withholding/W-8SUB.pdf>
 - 1.2. You should avoid using STANDARD IRS Forms off the IRS website, because they contain false presumptions.

1 1.3. If you do use STANDARD IRS Forms off the IRS website, you must at least incorporate by reference (preferred)
2 or attach the following form in order to prevent false presumptions about your status that will prejudice your rights
3 by connecting you to the “trade or business” franchise:

Tax Form Attachment, Form #04.201
<http://sedm.org/Forms/FormIndex.htm>

4 2. You should emphasize that you never voluntarily submitted an IRS Form W-4 to anyone, and that:

5 2.1. All withholdings were accomplished under protest and against your will.

6 2.2. You are attaching evidence of false W-2 using Form #04.304 listed above.

7 2.3. You do not consent to participate in the “trade or business” or connect your private property to either a “public
8 office” or “public use”, and that any attempts to do so are fraudulent and constitute THEFT. The ONLY person
9 who can donate your labor, which is private property, to a “public use” and connect it with a “public office” is you.
10 Indicate that you notified your private employer and in spite of this, they acted contrary to law and against your
11 will and became a money launderer for the government in the process engaged in racketeering because they believed
12 what clearly are LIES by the government. See:

Federal Courts and the IRS’ Own IRM Say IRS is NOT RESPONSIBLE for Its Actions or its Words or For
Following Its Own Written Procedures, Family Guardian Fellowship
<http://famguardian.org/Subjects/Taxes/Articles/IRSNotResponsible.htm>

13 2.4. That any agreements or obligations arising from or inferred from the submission of IRS Forms W-2 or W-4 are
14 void because instituted under duress:

15 *“An agreement [consent] obtained by duress, coercion, or intimidation is invalid, since the party coerced is not*
16 *exercising his free will, and the test is not so much the means by which the party is compelled to execute the*
17 *agreement as the state of mind induced.⁵² Duress, like fraud, rarely becomes material, except where a contract*
18 *or conveyance has been made which the maker wishes to avoid. As a general rule, duress renders the contract*
19 *or conveyance voidable, not void, at the option of the person coerced,⁵³ and it is susceptible of ratification. Like*
20 *other voidable contracts, it is valid until it is avoided by the person entitled to avoid it.⁵⁴ However, duress in the*
21 *form of physical compulsion, in which a party is caused to appear to assent when he has no intention of doing so,*
22 *is generally deemed to render the resulting purported contract void.⁵⁵”*
23 *[American Jurisprudence 2d, Duress, §21 (1999)]*

24 2.5. Any IRS Form W-2 the government may have received therefore could not lawfully have been filed against a
25 nonresident alien not engaged in a “trade or business” because it is a product of fraud and unlawful activity.

26 2.6. You earned no “wages” or “gross income” pursuant to the following:

27 [§31.3402\(p\)-1 Voluntary withholding agreements.](#)

28 (a) *In general.*

29 *An employee and his employer may enter into an agreement under section 3402(b) to provide for the withholding*
30 *of income tax upon payments of amounts described in paragraph (b)(1) of §31.3401(a)-3, made after December*
31 *31, 1970. **An agreement may be entered into under this section only with respect to amounts which are***
32 ***includible in the gross income of the employee under section 61, and must be applicable to all such amounts***
33 ***paid by the employer to the employee.** The amount to be withheld pursuant to an agreement under section 3402(p)*
34 *shall be determined under the rules contained in section 3402 and the regulations thereunder. See §31.3405(c)-*
35 *1, Q&A-3 concerning agreements to have more than 20-percent Federal income tax withheld from eligible*
36 *rollover distributions within the meaning of section 402.*

37 2.7. That only “trade or business” earnings connected with a “public office” in the government may lawfully be listed
38 on IRS Form W-2 as “wages, tips, and other compensation” pursuant to [26 U.S.C. §6041](#), and that you are *not*
39 engaged in a “trade or business” and never consented or volunteered to be treated as though out do. See:

⁵² Brown v. Pierce, 74 U.S. 205, 7 Wall 205, 19 L.Ed. 134

⁵³ Barnette v. Wells Fargo Nevada Nat’l Bank, 270 U.S. 438, 70 L.Ed. 669, 46 S.Ct. 326 (holding that acts induced by duress which operate solely on the mind, and fall short of actual physical compulsion, are not void at law, but are voidable only, at the election of him whose acts were induced by it); Fiske v. Gershman, 30 Misc.2d. 442, 215 N.Y.S.2d. 144; Glenney v. Crane (Tex Civ App Houston (1st Dist)) 352 S.W.2d. 773, writ ref n r e (May 16, 1962); Carroll v. Fetty, 121 W Va 215, 2 S.E.2d. 521, cert den 308 U.S. 571, 84 L.Ed. 479, 60 S.Ct. 85.

⁵⁴ Fiske v. Gershman, 30 Misc.2d. 442, 215 N.Y.S.2d. 144; Heider v. Unicume, 142 Or. 416, 20 P.2d. 384; Glenney v. Crane (Tex Civ App Houston (1st Dist)) 352 S.W.2d. 773, writ ref n r e (May 16, 1962)

⁵⁵ Restatement 2d, Contracts § 174, stating that if conduct that appears to be a manifestation of assent by a party who does not intend to engage in that conduct is physically compelled by duress, the conduct is not effective as a manifestation of assent.

The "Trade or Business" Scam, Form #05.001
<http://sedm.org/Forms/FormIndex.htm>

- 1 3. You should emphasize:
- 2 3.1. That your submission constitutes a "claim for refund" as described in [26 U.S.C. §6402](#)(a) as a nonresident alien not
- 3 engaged in a "trade or business" with no "gross income" or "taxable income" pursuant to 26 C.F.R. §1.872-2(f).
- 4 3.2. That the refund authorized by [26 U.S.C. §6402](#)(a) is not limited to "taxpayers", but all those subject to an
- 5 overpayment, and that "overpayment" includes any amount withheld in the case of a person who was "not liable"
- 6 because a nonresident alien not engaged in a "trade or business" pursuant to [26 U.S.C. §6401](#)(c).
- 7 3.3. That the action is being brought under the common law and not civil statutory law because you are filing as someone
- 8 who does not consent to be a statutory "taxpayer" or "person" and is receiving no benefit.
- 9 3.4. That the basis instead for the refund of unlawfully withheld earnings is:
- 10 3.4.1. Undertaken under equity and not statute or law because there is no remedy provided for nonresident aliens
- 11 not engaged in a "trade or business" who have had unlawful and false information returns filed against them
- 12 and/or withholding done against them against their will.
- 13 3.4.2. Undertaken in the spirit of the following:

14 *A claim against the United States is a right to demand money from the United States.⁵⁶ Such claims are sometimes*

15 *spoken of as gratuitous in that they cannot be enforced by suit without statutory consent.⁵⁷ The general rule of*

16 *non-liability of the United States⁵⁸ does not mean that a citizen cannot be protected against the wrongful*

17 *governmental acts that affect the citizen or his or her property.⁵⁹ If, for example, money or property of an*

18 *innocent person goes into the federal treasury by fraud to which a government agent was a party, the United*

19 *States cannot hold the money or property against the claim of the injured party.⁶⁰ Generally, however, there is*

20 *no statutory basis for permitting the recovery of a tax overpayment after the statute of limitations has expired.⁶¹*

21 *[American Jurisprudence, United States, Claims against the United States, §45 (1999)]*

- 22 4. You should emphasize that penalties are illegal against nonresident alien nontaxpayers not engaged in a "trade or
- 23 business", and especially in the context of a petition to the government for redress of grievances that is not subject to any
- 24 provision within the I.R.C.. See:

Why Penalties are Illegal for Anything But Federal Employees, Contractors, and Agents, Form #05.010
<http://sedm.org/Forms/FormIndex.htm>

- 25 5. You must controvert any IRS Form W-2's filed against you by:
- 26 5.1. Not including them with the original claim you send to the government.
- 27 5.2. Providing substitutes for IRS Form W-2 that clearly identify themselves for use only by nonresident alien
- 28 nontaxpayers not engaged in a "trade or business" pursuant to 26 C.F.R. §1.871-1(b)(i) and who has no "gross
- 29 income" pursuant to 26 C.F.R. §1.872-2(f).
- 30 5.3. Including a civil claim against the party who submitted the false W-2's pursuant to [26 U.S.C. §7434](#).
- 31 5.4. Filing a criminal complaint for false returns against the submitter of the false returns pursuant to [26 U.S.C. §§7206](#)
- 32 [and 7207](#) and including this complaint with your claim. At that point, neither the court nor the IRS may use this
- 33 information as evidence because it is "fruit of a poisonous tree" derived from the commission of a crime.
- 34 6. You must describe yourself as not having or consenting to any civil statutory status, including but not limited to
- 35 "taxpayer", "person", "citizen", "resident", etc. and emphasize that neither the IRS nor the courts can lawfully turn a
- 36 "nontaxpayer" into a "taxpayer" pursuant to:

⁵⁶ United States ex rel. Angarica v. Bayard, 127 U.S. 251, 32 L.Ed. 159, 8 S.Ct. 1156, 4 A.F.T.R. 4628 (holding that a claim against the Secretary of State for money awarded under a treaty is a claim against the United States); Hobbs v. McLean, 117 U.S. 567, 29 L.Ed. 940, 6 S.Ct. 870; Manning v. Leighton, 65 Vt. 84, 26 A. 258, motion dismd 66 Vt. 56, 28 A 630 and (disapproved on other grounds by Button's Estate v. Anderson, 112 Vt. 531, 28 A.2d. 404, 143 A.L.R. 195).

As to the False Claims Act, see 32 American Jurisprudence 2d, False Pretenses §§88-96 (1999).

As to the jurisdiction of the United States Court of Federal Claims, see 32B American Jurisprudence 2d, Federal Courts §§ 2266 et seq. (1999)

⁵⁷ Blagge v. Balch, 162 U.S. 439, 40 L.Ed. 1032, 16 S.Ct. 853.

⁵⁸ §87

⁵⁹ Wilson v. Shaw, 204 U.S. 24, 51 L.Ed. 351, 27 S.Ct. 233.

⁶⁰ Bull v. United States, 295 U.S. 247, 79 L.Ed. 1421, 55 S.Ct. 695, 35-1 U.S.T.C. 9346, 15 A.F.T.R. 1069; United States v. State Bank, 96 U.S. 30, 96 Otto 30, 24 L.Ed. 647.

⁶¹ Dalm v. United States (CA6 Mich) 867 F.2d. 305, 89-1 U.S.T.C. ¶ 9171, 89-1 U.S.T.C. ¶ 13807, 63 A.F.T.R. 2d 89-1541, cert gr 493 U.S. 807, 107 L.Ed. 2d 15, 110 S.Ct. 46, motion gr 493 U.S. 930, 107 L.Ed. 2d 309, 110 S.Ct. 319 and motion gr 493 U.S. 1015, 107 L.Ed. 2d 732, 110 S.Ct. 712 and revd on other grounds 494 U.S. 596, 108 L.Ed. 2d 548, 110 S.Ct. 1361, 90-1 U.S.T.C. ¶ 50154, 90-1 U.S.T.C. ¶ 60012, 65 A.F.T.R. 2d 90-1210.

6.1. Declaratory Judgments Act , [28 U.S.C. §2201](#)(a).

"A reasonable construction of the taxing statutes does not include vesting any tax official with absolute power of assessment against individuals not specified in the statutes as a person liable for the tax without an opportunity for judicial review of this status before the appellation of 'taxpayer' is bestowed upon them and their property is seized..."
[Botta v. Scanlon, 288 F.2d. 504, 508 (1961)]

Specifically, Rowen seeks a declaratory judgment against the United States of America with respect to "whether or not the plaintiff is a taxpayer pursuant to, and/or under 26 U.S.C. §7701(a)(14)." (See Compl. at 2.) **This Court lacks jurisdiction to issue a declaratory judgment "with respect to Federal taxes other than actions brought under section 7428 of the Internal Revenue Code of 1986," a code section that is not at issue in the instant action. See 28 U.S.C. §2201; see also Hughes v. United States, 953 F.2d. 531, 536-537 (9th Cir. 1991) (affirming dismissal of claim for declaratory relief under § 2201 where claim concerned question of tax liability).** Accordingly, defendant's motion to dismiss is hereby GRANTED, and the instant action is hereby DISMISSED.
[Rowen v. U.S., 05-3766MMC. (N.D.Cal. 11/02/2005)]

6.2. [26 U.S.C. §6020](#)(b)

6.3. Internal Revenue Manual (I.R.M.), Section 5.1.11.6.8.

6.4. The absence of enforcement authority in states of the Union. See:

[IRS Due Process Meeting Handout](#), Form #03.008
<http://sedm.org/Forms/FormIndex.htm>

For further on this subject, see:

[Who are "Taxpayers" and Who Needs a "Taxpayer Identification Number"](#), Form #05.013
<http://sedm.org/Forms/FormIndex.htm>

7. You should emphasize that neither the IRS nor the court may apply provisions of the "trade or business" franchise agreement against a those who is not subject to it and never explicitly consented.

"Revenue Laws relate to taxpayers [officers, employees, and elected officials of the Federal Government] and not to non-taxpayers [American Citizens/American Nationals not subject to the exclusive jurisdiction of the Federal Government]. The latter are without their scope. No procedures are prescribed for non-taxpayers and no attempt is made to annul any of their Rights or Remedies in due course of law."
[Economy Plumbing & Heating v. U.S., 470 F.2d. 585 (1972)]

"The revenue laws are a code or system in regulation of tax assessment and collection. They relate to taxpayers, and not to nontaxpayers. The latter are without their scope. No procedure is prescribed for nontaxpayers, and no attempt is made to annul any of their rights and remedies in due course of law. With them Congress does not assume to deal, and they are neither of the subject nor of the object of the revenue laws..."
[Long v. Rasmussen, 281 F. 236 (1922)]

8. You should emphasize that all determinations they make may NOT be based on presumption of any kind:

8.1. Presumptions are not evidence nor a substitute for evidence.

"A presumption is an assumption of fact that the law requires to be made from another fact or group of facts found or otherwise established in the action. A presumption is not evidence."
[Black's Law Dictionary, Sixth Edition, p. 1185]

8.2. All presumptions which prejudice constitutional rights are impermissible.

". . . a statute which imposes a tax upon an assumption of fact which the taxpayer is forbidden to controvert is so arbitrary and unreasonable that it cannot stand under the Fourteenth Amendment"
[Heiner v. Donnan, 285 U.S. 312 (1932)]

(1) [8:4993] **Conclusive presumptions affecting protected interests:**

A conclusive presumption may be defeated where its application would impair a party's constitutionally-protected liberty or property interests. In such cases, conclusive presumptions have been held to violate a party's due process and equal protection rights. [Vlandis v. Kline (1973) [412 U.S. 441](#), 449, 93 S.Ct. 2230, 2235; Cleveland Bed. of Ed. v. LaFleur (1974) [414 U.S. 632](#), 639-640, 94 S.Ct. 1208, 1215-presumption under Illinois law that unmarried fathers are unfit violates process]
[Federal Civil Trials and Evidence, Rutter Group, paragraph 8:4993, p. 8K-34]

8.3. It is unlawful to turn an innocence into guilt, which means a "nontaxpayer" into a "taxpayer", with nothing more than a presumption and no evidence.

1 "A reasonable construction of the taxing statutes does not include vesting any tax official with absolute power of
2 assessment against individuals not specified in the statutes as a person liable for the tax without an opportunity
3 for judicial review of this status before the appellation of 'taxpayer' is bestowed upon them and their property is
4 seized..."

5 [Botta v. Scanlon, 288 F.2d. 504, 508 (1961)]
6

7 "In *Calder v. Bull*, which was here in 1798, Mr. Justice Chase said, that there were acts which the Federal and
8 State legislatures could not do without exceeding their authority, and among them he mentioned a law which
9 punished a citizen for an innocent act; a law that destroyed or impaired the lawful private [labor] contracts [and
10 labor compensation, e.g. earnings from employment through compelled W-4 withholding] of citizens; a law that
11 made a man judge in his own case; and a law that took the property from A [the worker], and gave it to B [the
12 government or another citizen, such as through social welfare programs]. 'It is against all reason and justice,'
13 he added, 'for a people to intrust a legislature with such powers, and therefore it cannot be presumed that they
14 have done it. They may command what is right and prohibit what is wrong; but they cannot change innocence
15 [a "nontaxpayer"] into guilt [a "taxpayer"], or punish innocence as a crime, or violate the right of an
16 antecedent lawful private [employment] contract [by compelling W-4 withholding, for instance], or the right
17 of private property. To maintain that a Federal or State legislature possesses such powers [of THEFT!] if they
18 had not been expressly restrained, would, in my opinion, be a political heresy altogether inadmissible in all
19 free republican governments.' 3 Dall. 388."
20 [Sinking Fund Cases, 99 U.S. 700 (1878)]

- 21 9. At the bottom of every document included in the next section, you should write the following:

22 "Not valid without all the enclosures and no information redacted."

23 **12 Resources for Further Study and Rebuttal**

24 If you would like to study the subjects covered in this short pamphlet in further detail, may we recommend the following
25 authoritative sources, and also welcome you to rebut any part of this pamphlet after you have read it and studied the subject
26 carefully yourself just as we have:

- 27 1. *Proof that Involuntary Income Taxes on Your Labor are Slavery*, Form #05.055
28 <http://sedm.org/Forms/FormIndex.htm>
29 2. *Excluded Earnings and People*, Form #14.019-proves that earnings that are private property are automatically excluded
30 from "income".
31 <http://sedm.org/Forms/FormIndex.htm>
32 3. Thirteenth Amendment Annotated Legal reference
33 <http://caselaw.lp.findlaw.com/data/constitution/amendment13/>
34 4. Cites on "wages"-
35 <http://famguardian.org/TaxFreedom/CitesByTopic/wages.htm>
36 5. *Is the Income Tax a Form of Slavery?*, Steven Yates
37 <http://famguardian.org/Subjects/Freedom/Articles/IncomeTaxSlavery.htm>
38 6. ToCongress.com- Political action materials. Contains much research on this subject
39 <http://tocongress.com/PRIVATEPROPERTY/01intro/01INTRODUCTION.htm>
40 7. *Enumeration of Inalienable Rights*, Form #06.004
41 <http://sedm.org/Forms/FormIndex.htm>
42 8. *Liberty University*- Free educational materials for regaining your sovereignty as an entrepreneur or private person
43 <http://sedm.org/LibertyU/LibertyU.htm>
44 9. *Family Guardian Website*, Taxes page
45 <http://famguardian.org/Subjects/Taxes/taxes.htm>
46 10. *Great IRS Hoax*, Form #11.302
47 <http://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm>
48 11. *Sovereignty Forms and Instructions Online*, Form #10.004- Free references and tools to help those who want to escape
49 federal slavery
50 <http://famguardian.org/TaxFreedom/FormsInstr.htm>
51 12. IRS Publication 17: Your Federal Income Tax
52 <http://www.irs.gov/formspubs/index.html>
53 13. IRS Publication 334, Tax Guide for Small Businesses
54 <http://famguardian.org/TaxFreedom/Forms/IRS/IRSPub334.pdf>
55 14. IRS Publication 535: Business Expenses

1 <http://www.irs.gov/formspubs/index.html>

2 **13 Questions that Readers, Grand Jurors, and Petit Jurors should be asking the**
3 **Government**

4 These questions are provided for readers, Grand Jurors, and Petit Jurors to present to the government or anyone else who
5 would challenge the facts and law appearing in this pamphlet, most of whom work for the government or stand to gain
6 financially from perpetuating the fraud. If you find yourself in receipt of this pamphlet, you are demanded to answer the
7 questions within 10 days. Pursuant to [Federal Rule of Civil Procedure 8\(b\)\(6\)](#), failure to deny within 10 days constitutes an
8 admission to each question. Pursuant to [26 U.S.C. §6065](#), all of your answers must be signed under penalty of perjury. We
9 are not interested in agency policy, but only sources of reasonable belief identified in the pamphlet below:

Reasonable Belief About Income Tax Liability, Form #05.007
<http://sedm.org/Forms/FormIndex.htm>

10 Your answers will become evidence in future litigation, should that be necessary in order to protect the rights of the person
11 against whom you are attempting to unlawfully enforce federal law.

12 1. Admit that “compensation for services” is not included in “gross income” if it is excluded elsewhere in Subtitle A of
13 the Internal Revenue Code:

14 [TITLE 26](#) > [Subtitle A](#) > [CHAPTER 1](#) > [Subchapter B](#) > [PART I](#) > § 61
15 [§ 61. Gross income defined](#)

16 (a) *General definition*

17 *Except as otherwise provided in this subtitle [such as I.R.C. Section 83], gross income means all income from*
18 *whatever source derived, including (but not limited to) the following items:*

19
20 YOUR ANSWER: ___ Admit ___ Deny

21
22 CLARIFICATION: _____

23 2. Admit that the compensation for the housing of a minister of the gospel is not included in “gross income”
24 notwithstanding [26 U.S.C. §61](#), pursuant to [26 U.S.C. §107](#):

25 [TITLE 26](#) > [Subtitle A](#) > [CHAPTER 1](#) > [Subchapter B](#) > [PART III](#) > § 107
26 [§ 107. Rental value of parsonages](#)

27 *In the case of a minister of the gospel, gross income does not include—*

28 (1) *the rental value of a home furnished to him as part of his compensation; or*

29 (2) *the rental allowance paid to him as part of his compensation, to the extent used by him to rent or provide a*
30 *home and to the extent such allowance does not exceed the fair rental value of the home, including furnishings*
31 *and appurtenances such as a garage, plus the cost of utilities.*

32
33 YOUR ANSWER: ___ Admit ___ Deny

34
35 CLARIFICATION: _____

36 3. Admit that line 7 of the IRS Form 1040 represents the taxpayer’s “gross income” pursuant to I.R.C. Section 61.

37
38 YOUR ANSWER: ___ Admit ___ Deny

39
40 CLARIFICATION: _____

1 4. Admit that line 7 of the IRS Form 1040 does not have method for excluding the value of property given in exchange
2 for compensation for services pursuant to [26 U.S.C. §83](#).

3
4 YOUR ANSWER: ___ Admit ___ Deny

5
6 CLARIFICATION: _____

7 5. Admit that IRS Form 1040 makes no provision to take 26 U.S.C. §83 exclusion for the value of one's labor given in
8 exchange for "compensation for services".

9
10 YOUR ANSWER: ___ Admit ___ Deny

11 If your answer to the above is Deny, then please indicate which form or schedule or worksheet, etc., can be used by a
12 "taxpayer" to take the Section 83 exclusion.

13
14 CLARIFICATION: _____

15
16 6. Admit that "compensation for services" are included in the definition of "gross income" found in [26 U.S.C. §61\(a\)\(1\)](#):

17 [TITLE 26](#) > [Subtitle A](#) > [CHAPTER 1](#) > [Subchapter B](#) > [PART 1](#) > § 61
18 [§ 61. Gross income defined](#)

19 (a) *General definition*

20 *Except as otherwise provided in this subtitle [such as I.R.C. Section 83], gross income means all income from*
21 *whatever source derived, including (but not limited to) the following items:*

22 (1) *Compensation for services, including fees, commissions, fringe benefits, and similar items;*

23
24 YOUR ANSWER: ___ Admit ___ Deny

25
26 CLARIFICATION: _____

27 7. Admit that the term "personal services" is defined as follows:

28 [26 C.F.R. Sec. 1.469-9](#) *Rules for certain rental real estate activities.*

29 (b)(4) **PERSONAL SERVICES.**

30 **Personal services means any work performed by an individual in connection with a trade or business.**
31 *However, personal services do not include any work performed by an individual in the individual's capacity as*
32 *an investor as described in section 1.469-5T(f)(2)(ii).*

33
34 YOUR ANSWER: ___ Admit ___ Deny

35
36 CLARIFICATION: _____

37 8. Admit that earnings from "personal services" are not includible in "gross income" unless these services are connected
38 with a "trade or business", pursuant to [26 U.S.C. §864\(b\)\(1\)](#).

39 [TITLE 26](#) > [Subtitle A](#) > [CHAPTER 1](#) > [Subchapter N](#) > [PART 1](#) > § 864
40 [§ 864. Definitions and special rules](#)

41 (b) *Trade or business within the United States*

42 *For purposes of this part, part II, and chapter 3, the term "trade or business within the United States" includes*
43 *the performance of personal services within the United States at any time within the taxable year, **but does not***
44 *include—*

45 (1) Performance of **personal services** for foreign employer

The performance of personal services—

(A) for a nonresident alien individual, foreign partnership, or foreign corporation, not engaged in trade or business within the United States, or

(B) for an office or place of business maintained in a foreign country or in a possession of the United States by an individual who is a citizen or resident of the United States or by a domestic partnership or a domestic corporation, by a nonresident alien individual temporarily present in the United States for a period or periods not exceeding a total of 90 days during the taxable year and whose compensation for such services does not exceed in the aggregate \$3,000.

YOUR ANSWER: ___ Admit ___ Deny

CLARIFICATION: _____

9. Admit that all labor is property:

"Among these unalienable rights, as proclaimed in that great document [the Declaration of Independence] is the right of men to pursue their happiness, by which is meant, the right any lawful business or vocation, in any manner not inconsistent with the equal rights of others, which may increase their prosperity or develop their faculties, so as to give them their highest enjoyment...It has been well said that, THE PROPERTY WHICH EVERY MAN HAS IN HIS OWN LABOR, AS IT IS THE ORIGINAL FOUNDATION OF ALL OTHER PROPERTY SO IT IS THE MOST SACRED AND INVIOABLE... to hinder his employing this strength and dexterity in what manner he thinks proper without injury to his neighbor, is a plain violation of this most sacred property."
[Butchers' Union Co. v. Crescent City Co., 111 U.S. 746 (1884), Concurring opinion of Justice Field]

YOUR ANSWER: ___ Admit ___ Deny

CLARIFICATION: _____

10. Admit that ownership of property constitutes exclusive rights and control of the property:

***"Property.** That which is peculiar or proper to any person; that which belongs exclusively to one. In the strict legal sense, an aggregate of rights which are guaranteed and protected by the government. *Fulton Light, Heat & Power Co. v. State*, 65 Misc.Rep. 263, 121 N.Y.S. 536. The term is said to extend to every species of valuable right and interest. More specifically, ownership; the unrestricted and exclusive right to a thing; the right to dispose of a thing in every legal way, to possess it, to use it, and to exclude every one else from interfering with it. That dominion or indefinite right of particular things or subjects. The exclusive right of possessing, enjoying, and disposing of a thing. The highest right a man can have to anything; being used to refer to that right which one has to lands or tenements, goods or chattels, which no way depends on another man's courtesy.*

*The word is also commonly used to denote everything which is the subject of ownership; corporeal or incorporeal, tangible or intangible, visible or invisible, real or personal; everything that has an exchangeable value or which goes to make up wealth or estate. It extends to every species of valuable right and interest, and includes real and personal property, easements, franchises, and incorporeal hereditaments, and includes every invasion of one's property rights by actionable wrong. *Labberton v. General Cas. Co. of America*, 53 Wash.2d. 180, 332 P.2d. 250, 252, 254.*

[. . .]

*Property within constitutional protection, denotes group of rights inhering in citizen's relation to physical thing, as right to possess, use and dispose of it. *Cereghino v. State By and Through State Highway Commission*, 230 Or. 439, 370 P.2d. 694, 697."*

[Black's Law Dictionary, Sixth Edition, p. 1216]

YOUR ANSWER: ___ Admit ___ Deny

CLARIFICATION: _____

11. Admit that taking any amount of a person's labor without their consent does not constitute "protection".

1 YOUR ANSWER: ___Admit ___Deny

2
3 CLARIFICATION:_____

- 4 12. Admit that taking any amount of a person’s labor without their consent, or any of the property exchanged in procuring
5 it, constitutes involuntary servitude in violation of the [Thirteenth Amendment](#) to the United States Constitution.

6
7 YOUR ANSWER: ___Admit ___Deny

8
9 CLARIFICATION:_____

- 10 13. Admit that there is no contract possessed by the U.S. Government which conveys any ownership or equitable interest
11 against a citizen’s labor.

12
13 YOUR ANSWER: ___Admit ___Deny

14
15 CLARIFICATION:_____

16
17 If the answer to the above is Deny, then admit that said contract has not been signed by all parties to the contract.

- 18 14. Admit that only Congress has the authority to create a contract which binds the United States.

19
20 YOUR ANSWER: ___Admit ___Deny

21
22 CLARIFICATION:_____

- 23 15. Admit that a contract that does not bind the United States also cannot bind the citizen.

24
25 YOUR ANSWER: ___Admit ___Deny

26
27 CLARIFICATION:_____

- 28 16. Admit that a contract is voidable if it has not been knowingly, willfully consented to by all parties.

29
30 YOUR ANSWER: ___Admit ___Deny

31
32 CLARIFICATION:_____

- 33 17. Admit that one cannot willingly or knowingly consent to a contract without at the same time being unaware that said
34 contract exists.

35
36 YOUR ANSWER: ___Admit ___Deny

37
38 CLARIFICATION:_____

- 39 18. Admit that a contract held by a party through deception and trickery constitutes fraud.

40
41 YOUR ANSWER: ___Admit ___Deny

42
43 CLARIFICATION:_____

- 44 19. Admit that fraud vitiates all contracts.

45
46 YOUR ANSWER: ___Admit ___Deny

47
48 CLARIFICATION:_____

1 20. Admit that the United States does not have any ownership rights or standing with respect to a citizens labor.

2 *“Every man has a natural right to the fruits of his own labor, is generally admitted; and **no other person can***
3 ***rightfully deprive him of those fruits, and appropriate them against his will ...”***
4 *[The Antelope, 23 U.S. 66; 10 Wheat 66; 6 L.Ed. 268 (1825)]*

5
6 YOUR ANSWER: ____Admit ____Deny

7
8 CLARIFICATION:_____

9 21. Admit that the U.S. Supreme Court above was referring to “compensation for services” pursuant to [26 U.S.C. §83](#).

10
11 YOUR ANSWER: ____Admit ____Deny

12
13 CLARIFICATION:_____

14 22. Admit that Subtitle A of the Internal Revenue Code is a tax upon “profit” and *not* “all earnings”:

15 *“We must reject in this case, as we have rejected in cases arising under the Corporation Excise Tax Act of 1909*
16 *(Doyle, Collector, v. Mitchell Brothers Co., 247 U.S. 179, 38 Sup.Ct. 467, 62 L.Ed.--), the broad contention*
17 *submitted on behalf of the government that all receipts—everything that comes in—are income within the proper*
18 *definition of the term ‘gross income,’ and that the entire proceeds of a conversion of capital assets, in whatever*
19 *form and under whatever circumstances accomplished, should be treated as gross income. Certainly the term*
20 *‘income’ has no broader meaning in the 1913 act than in that of 1909 (see Stratton’s Independence v. Howbert,*
21 *231 U.S. 399, 416, 417 S., 34 Sup.Ct. 136), and for the present purpose we assume there is no difference in its*
22 *meaning as used in the two acts.”*
23 *[Southern Pacific Co. v. Lowe, 247 U.S. 330, 335, 38 S.Ct. 540 (1918)]*

24
25 YOUR ANSWER: ____Admit ____Deny

26
27 CLARIFICATION:_____

28 23. Admit that “profit” is defined as earnings minus expenses:

29
30 YOUR ANSWER: ____Admit ____Deny

31
32 CLARIFICATION:_____

33 24. Admit that “taxable income” is defined as “gross income” minus “deductions”:

34 [TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter B > PART 1 > § 63](#)
35 [§ 63. Taxable income defined](#)

36 (a) In general

37 *Except as provided in subsection (b), for purposes of this subtitle, the term “taxable income” means gross income*
38 *minus the deductions allowed by this chapter (other than the standard deduction).*

39
40 YOUR ANSWER: ____Admit ____Deny

41
42 CLARIFICATION:_____

43 25. Admit that “expenses” are subtracted from the fair market value of labor in accordance with [26 U.S.C. §83](#) BEFORE
44 computing “gross income” as defined in [26 U.S.C. §61](#):

45 [TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter B > PART II > § 83](#)
46 [§ 83. Property transferred in connection with performance of services](#)

47 (a) General rule

1 If, in connection with the performance of services, property is transferred to any person other than the person for
2 whom such services are performed, **the excess of**—

3 (1) the fair market value of such property (determined without regard to any restriction other than a restriction
4 which by its terms will never lapse) at the first time the rights of the person having the beneficial interest in such
5 property are transferable or are not subject to a substantial risk of forfeiture, whichever occurs earlier, over

6
7 YOUR ANSWER: ____Admit ____Deny

8
9 CLARIFICATION: _____

10
11 **Affirmation:**

12 I declare under penalty of perjury as required under [26 U.S.C. §6065](#) that the answers provided by me to the foregoing
13 questions are true, correct, and complete to the best of my knowledge and ability, so help me God. I also declare that these
14 answers are completely consistent with each other and with my understanding of both the Constitution of the United States,
15 Internal Revenue Code, Treasury Regulations, the Internal Revenue Manual (I.R.M.), and the rulings of the Supreme Court
16 but not necessarily lower federal courts.

17 Name (print): _____

18 Signature: _____

19 Date: _____

20 Witness name (print): _____

21 Witness Signature: _____

22 Witness Date: _____