

***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. 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”.
8. 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>

We also caution our readers that a proper and complete understanding of the subject of this pamphlet is essential to keep you out of trouble if you intend to pursue the position described in this pamphlet in your interactions with the taxing authorities.

Some in the past who lacked a complete understanding of this subject have been criminally convicted for preparing tax returns for others based on this position.

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

SEDM has always focused EXCLUSIVELY on reducing liability through [“excluded” income](#) rather than “exempt” income. Below is what our Member Agreement says on this subject:

[SEDM Member Agreement](#)  
I.1 My Status and Standing

[...]

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

*“Initially, it is important to bear in mind the distinction between a tax exclusion and a tax exemption. Tax exemptions are items which the tax payer is entitled to excuse from the operation of a tax and, as such, are to be strictly construed against the tax payer. Tax exclusions, on the other hand, are items which were not intended to be taxed in the first place and, thus, to the extent there is any doubt about the meaning of the statutory language, exclusionary provisions are to be strictly construed against the taxing body. In fact, tax laws in general (with the exception of exemption clauses) are construed in favor of the tax payer and against imposition of the tax unless the legislative intent is clear and unambiguous.”*  
[In re Twisteroo Soft Pretzel Bakeries, Inc., 21 B.R. 665, 667 (Bankr. E.D. Pa. 1982)]  
[SEDM Member Agreement, Form #01.001, Section I.1, Item 13; <https://sedm.org/participate/member-agreement/>]

## **3 Public v. Private**

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

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

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

**“The reason why States are “bodies politic and corporate” is simple: just as a corporation is an entity that can act only through its agents, “[t]he State is a political corporate body, can act only through agents, and can command only by laws.” Poindexter v. Greenhow, supra, 114 U.S., at 288, 5 S.Ct. at 912-913. See also Black’s Law Dictionary 159 (5th ed. 1979) (“[B]ody politic or corporate”: “A social compact by which the whole people covenants with each citizen, and each citizen with the whole people, that all shall be governed by certain laws for the common good”). As a “body politic and corporate,” a State falls squarely within the Dictionary Act’s definition of a “person.”**  
[Will v. Michigan Dept. of State Police, 491 U.S. 58, 109 S.Ct. 2304 (U.S.Mich.,1989)]

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

*“All the powers of the government [including ALL of its civil enforcement powers against the public] must be carried into operation by individual agency, either through the medium of public officers, or contracts made with [private] individuals.”*  
[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</u> , Form #05.037 <a href="http://sedm.org/Forms/FormIndex.htm">http://sedm.org/Forms/FormIndex.htm</a>
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- 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.

7.2. Criminally obstructing justice.

### 3.1 Introduction

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

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

***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 everyone else from interfering with it. That dominion or indefinite right of use or disposition which one may lawfully exercise over 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.*

[...]

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

3. Human beings can simultaneously be in possession of BOTH PUBLIC and PRIVATE rights. This gives rise to TWO legal “persons”: PUBLIC and PRIVATE.
  - 3.1. The CIVIL law attaches to the PUBLIC person.
  - 3.2. The COMMON law attaches to the PRIVATE person.This is consistent with the 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 two separate persons. 4 Co. 118.*

*[Bouvier's Maxims of Law, 1856;*

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

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

*“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 [EXCLUSIVELY PRIVATE, God-given] rights, Governments are instituted among Men, deriving their just powers from the consent of the governed. -”*

*[Declaration of Independence, 1776]*

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

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

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

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

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

*Invito beneficium non datur.*

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

*Quilibet potest renunciare juri pro se inducto.*

*Any one may renounce a law introduced for his own benefit. To this rule there are some exceptions. See 1 Bouv. Inst. n. 83.*

*[Bouvier’s Maxims of Law, 1856,*

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

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

<p><i>Why Your Government is Either a Thief or You are a “Public Officer” for Income Tax Purposes</i>, Form #05.008 <a href="http://sedm.org/Forms/FormIndex.htm">http://sedm.org/Forms/FormIndex.htm</a></p>
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As an example of why an understanding of this subject is EXTREMELY important, consider the following dialog at an IRS audit in which the FIRST question out of the mouth of the agent is ALWAYS “What is YOUR Social Security Number?”:

***How the Government Defrauds You Out of Legitimate Exclusions for the Market Value of Your Labor***

**19 of 118**

Copyright Sovereignty Education and Defense Ministry, <http://sedm.org>  
Form 05.026, Rev. 09-20-2024

EXHIBIT: \_\_\_\_\_



**IRS AGENT QUESTION:**

What is YOUR Social Security Number?

**YOUR ANSWER:**

20 C.F.R. §422.103(d) says the “Social Security Number Card” but NOT the STATUTORY SSN belongs to the government. Since you didn’t ask me for the card but the number, then you aren’t asking me for government property you can place conditions on the use of. The only way the SSN could therefore be MY number as you call it is if I am the ABSOLUTE and PRIVATE owner of the number and the associated franchise it connects to and am appearing here today as a Merchant offering billable services to you under MY franchise contract. Thank you for inviting me here today to do business with you as a Merchant who makes all the rules and conditions under which I render services to you as the absolute owner and seller of myself and all of my property.

On the other hand, if you are going to use the SSN to connect me to YOUR Social Security franchise contract in Title 42 that only you own and control, then I don’t HAVE THAT account number and there is no such thing, because:

My participation is clearly illegal, and an illegal act is not an official act you or I can lawfully participate in or use for profit.

My God forbids me to act as a Buyer of anything you own or control, to surrender constitutional or natural rights to you, or to allow you to make rules or laws that circumvent His holy laws. He is my ONLY CIVIL lawgiver according to the Bible.

Which of the two types of Social Security Numbers are you therefore asking me for today: PUBLIC STATUTORY number under your franchise contract or PRIVATE number under MY franchise contract? This will determine who is in charge of making the rules for use of the Number under these circumstances.

**IRS AGENT QUESTION:**

The only thing we can talk about here today are STATUTORY Social Security Numbers. The civil statutes enacted by Congress including the Social Security franchise in Title 42 are the source of our authority.

**YOUR ANSWER:**

Well then you are asking me to consent to participate in something that is clearly illegal and which I also have no delegated authority to do from My God as His full-time trustee. In which case, I don’t HAVE a STATUTORY Social Security Number since participation is clearly ILLEGAL. Please destroy any records that I am eligible and stop using it for PUBLIC purposes or civil enforcement purposes outside the government. This is clearly criminal identity theft, which I have already notified you of on IRS Form 14039. [See our Form #14.020]. Further, I as a “nonresident alien” not engaged in a “trade or business” who consents to NOTHING you offer me and elects NOTHING am excluded by law from the requirement to furnish a Social Security Number per 26 C.F.R. §301.6109-1(b). So why do you even need such a number under the circumstances?

**IRS AGENT QUESTION:**

That’s ridiculous. Everyone HAS a STATUTORY SSN. How else are we going to manage our relationship with you without one?

**YOUR ANSWER:**

When are you going to get it through your thick skull that I don’t WANT ANY COMMERCIAL RELATIONSHIP with you and simply want to be CIVILLY LEFT ALONE as justice itself requires? The fact that no one else realizes that or takes that approach and blindly uses SSNs to become government cattle on the government plantation doesn’t mean I have to. Unlike the rest of the stupid cattle you “service” who volunteer to be cattle, I’m not your stupid whore who volunteers to work for free or donates my entire body to a public use without compensation. I as the exclusive and absolute owner of myself under



the Thirteenth Amendment decide what my services to you or the use of my property are worth, not you, and they aren't free. The charge for my services to act as a federal "employee" or officer or trustee in possession of public property such as a STATUTORY SSN is documented in the following agreement:

*Injury Defense Franchise and Agreement*, Form #06.027  
<https://sedm.org/Forms/06-AvoidingFranch/InjuryDefenseFranchise.pdf>

Will you agree in writing to the above agreement to act essentially as your federal coworker, because if you don't, then it's not MY number?

**IRS AGENT QUESTION:**

Don't play word games with me. It's YOUR number and we have a RIGHT to use it.

**YOUR ANSWER:**

Well good. Then if it's MY number and MY property, then I have EXCLUSIVE control and use over it and may LICENSE its use to you. That is what the word "property" implies. That means I, and not you, am the only one who may control or regulate its use under the following franchise:

*Injury Defense Franchise and Agreement*, Form #06.027  
<https://sedm.org/Forms/06-AvoidingFranch/InjuryDefenseFranchise.pdf>

If it's MY property as you indicate, then your job as an alleged "government" is to protect me from abuses of MY property. If you don't want to do that job, you're not really a government, but a de facto government. If you can control and penalize me for misusing YOUR procedures and forms, which are YOUR property, then I am EQUALLY entitled to penalize you for misusing MY property. I can't be free unless I'm at least equal to you, according to Supreme Court:

*No duty rests more imperatively upon the courts than the enforcement of those constitutional provisions intended to secure that equality of rights which is the foundation of free government."*  
[*Gulf, C. & S. F. R. Co. v. Ellis*, [165 U.S. 150](#) (1897)]

Are you willing to sign an agreement in writing to pay for the beneficial use of what you call MY property such as the NON-STATUTORY SSN, because if you aren't, you are depriving me of exclusive use and control over MY property and depriving me of the equal right to prevent abuses of my property, my identity, and my life??

**IRS AGENT QUESTION:**

OK, well it's OUR number. Sorry for deceiving you. Can you give us OUR number that WE assigned to you?

**YOUR ANSWER:**

I can find no statutory proof that the STATUTORY SSN ALONE absent the "Social Security Number CARD" is your property. Please provide evidence of same. And if it IS in fact YOUR property or PUBLIC property, why do you LIE to me by calling it MY property and MY number?

If the STATUTORY SSN is PUBLIC or GOVERNMENT property, then you can't allow me to use it as a private person, which is what I am appearing here today as. You can't lawfully issue public property such as an SSN to a private person or allow them to use it for a private purpose. That's criminal embezzlement. Therefore, the only way that PUBLIC property such as what you allege is a STATUTORY SSN could have been assigned to me is if I'm acting as a "public officer" or federal employee at this moment, and I am NOT. I am here as a private person and not a public employee who retains ONLY constitutional and not STATUTORY protections. Therefore, it couldn't have been lawfully issued to me.

Keep this up, and I'm going to file a criminal complaint with the U.S. Attorney for embezzlement in violation of [18 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 you are asking me to act like one without compensation that only I can determine and without demonstrated legal authority. Where is the compensation that I demand to act as a fiduciary and trustee over your STINKING number, which you claim is public property

without proof? I remind you that the very purpose why governments are created is to PROTECT and maintain the separation between "public property" and "private property" in order to preserve my inalienable constitutional rights that you took an oath to support and defend. Why do you continue to insist on co-mingling and confusing them in order to STEAL my labor, property, and money without compensation in violation of the Fifth Amendment takings clause?

#### **IRS AGENT QUESTION:**

We have received third party reports relating to tax withholding or reporting that connect you to a STATUTORY SSN and indirectly, to a "trade or business" per 26 U.S.C. §6041(a). We therefore have reasonable cause to inquire of you about these reports and any possible income tax liability attached to the transactions they document.

#### **YOUR ANSWER:**

Third party information returns are classified by the courts as "lay legal opinions". That means none of the LABELS on the form can have any actionable effect and are therefore not necessarily statutory terms. 26 U.S.C. §6041(a) connects the FILER of the information return to a "trade or business" and a public office under 26 U.S.C. §7701(a)(26), and NOT the TARGET of the report. These reports also do NOT authorize the FILER to convert PRIVATE property to PUBLIC property and a PUBLIC office without the consent of the ABSOLUTE owner, which is me. Further, even the FILER is not lawfully engaged in a "trade or business" and public office as someone who was never lawfully appointed or elected to a public office and is not serving in the District of Columbia as required by 4 U.S.C. §72. So these reports are hereby declared to be false and also possibly FRAUDULENT under penalty of perjury. See:

*Correcting Erroneous Information Returns*, Form #04.001  
<https://sedm.org/Forms/04-Tax/0-CorrErrInfoRtns/CorrErrInfoRtns.pdf>

The 1040NR return acknowledges that these information return reports do NOT necessarily connect me to such a public office by calling the earnings on the return "EFFECTIVELY connected" rather than merely "ACTUALLY connected". If I enter the amounts reported on these false information returns onto the 1040NR return, I am "in effect" and "effectively" donating the PRIVATE property they describe to a PUBLIC use, a PUBLIC purpose, and a PUBLIC office and thus subjecting them to income taxation and governmental control. I DO NOT consent to do that because all my earnings are EXCLUDED rather than EXEMPT from taxation as a nonresident alien not engaged in a "trade or business"/public office and whose earnings do not originate from the statutory geographical "United States" under 26 U.S.C. §871. See:

*Excluded Earnings and People*, Form #14.019  
<https://sedm.org/Forms/14-PropProtection/ExcludedEarningsAndPeople.pdf>

I don't need your stinking exemptions or deductions on the 1040NR form if all my earnings are lawfully excluded under:

1. Earnings originate from outside:
  - 1.1. The STATUTORY "United States\*\*" as defined in 26 U.S.C. §7701(a)(9) and (a)(10) (federal zone) and
  - 1.2. The U.S. government federal corporation as a privileged legal fiction.Thus, their earnings are expressly EXCLUDED rather than EXEMPTED from "gross income" under 26 U.S.C. §871 and are a "foreign estate" under 26 U.S.C. §7701(a)(31). See 26 U.S.C. §872 and 26 C.F.R. §1.872-2(f) and 26 C.F.R. §1.871-7(a)(4) and 26 U.S.C. §861(a)(3)(C)(i) for proof.
2. Earnings are expressly EXCLUDED rather than EXEMPTED from STATUTORY "wages" as defined in 26 U.S.C. §3401(a) because all services performed outside the STATUTORY "United States\*\*" as defined in 26 U.S.C. §7701(a)(9) and (a)(10) (federal zone) and the CORPORATION "United States" as a legal fiction. Therefore, not subject to "wage" withholding of any kind for such services per:
  - 2.1. 26 C.F.R. §31.3401(a)(6)-1(b) in the case of income tax.
  - 2.2. 26 C.F.R. §31.3121(b)-3(c)(1) in the case of Social Security.
3. Expressly EXCLUDED rather than EXEMPTED from income tax reporting under:
  - 3.1. 26 C.F.R. §1.1441-1(b)(5)(i).
  - 3.2. 26 C.F.R. §1.1441-1(e)(1)(ii)(A)(1).
  - 3.3. 26 C.F.R. §1.6041-4(a)(1).
4. Expressly EXCLUDED rather than EXEMPTED from backup withholding because earnings are not reportable by 26 U.S.C. §3406 and 26 C.F.R. §31.3406(g)-1(e). Only "reportable payments" are subject to such withholding.

My earnings are excluded, by the way, because they are PRIVATE and the owner who is me never consented to convert them to PUBLIC. Stop engaging in sophistry to rope me into your servitude and pay money I don't owe. This is despicable!

**IRS AGENT QUESTION:**

Even if your participation in Social Security is illegal, everyone still uses Social Security Numbers at least for financial, banking, or lending purposes. If your participation is illegal, then how can you bank or get a loan?

**YOUR ANSWER:**

Your question presupposes that my activities in getting a loan or opening a financial account are PUBLIC activities using PUBLIC property and that I am therefore subject to taxation and regulation in doing so. I and not you get to decide when I am acting in a PRIVATE or PUBLIC capacity and to define the meaning of all terms that affect the enjoyment of my ABSOLUTELY OWNED PRIVATE PROPERTY and LABOR. YOU have NO AUTHORITY to write definitions affecting property that you have no ownership interest in, because doing so would be an interference with the absolute control over said property and therefore for a THEFT of property. I use ownership and control synonymously here. You even admit in IRM 4.10.7.2.8 that no one should trust any of your forms, which means no one should trust the WORDS or LABELS on the forms either, including but not limited to "Social Security Number", "Taxpayer", etc. If the forms and the labels on the forms are not ACTIONABLE or even factual, then my writing on the form even under penalty of perjury doesn't make them actionable either or connect them to a civil statutory context unless I expressly do so myself, which I DO NOT.

We have already established that the NUMBER is NOT public property under 20 C.F.R. §422.103(d), and that only the CARD is PUBLIC property. You have also essentially admitted that the NUMBER is MY absolutely owned property and therefore not YOURS or the GOVERNMENT'S or PUBLIC property by calling it "YOUR Social Security Number". And if it is "MY ABSOLUTELY OWNED PROPERTY" as you call it, then I have the right as the only lawful owner to control ANY and ALL commercial uses of it by ANYONE and EVERYONE, including banks or lenders and even YOU and every government. I exercise that control by specifying all the definitions affecting its use and the CONTEXT of those definitions: PUBLIC or PRIVATE. If I don't have a right to control my identity, my reputation, and the commercial use of information about me that might damage me through no act of my own, then you can turn the SSN into a vehicle for criminal identity theft. That appears to be what you are doing here and now. I remind you that you appear to be using this proceeding to IN FACT engage in criminal identity theft, and that you are trying to get my permission to allow you to abuse aspects of my identity and reputation for an unauthorized commercial use and for ILLEGAL tax enforcement purposes. By "illegal" I mean NON-CONSENSUAL purposes.

Calling myself a CIVIL STATUTORY "taxpayer", "person", "citizen", or "resident" are methods of manifesting consent to privileges and taxation, but I don't claim the "benefit" of ANY connection to ANY CIVIL statutory status within any government law or franchise, or a connection to any aspect of my identity to the CIVIL statutory protection of any government. The authority to do this is my First Amendment right to NOT civilly or legally associate and my right to NOT contract with you. Thus, I am exclusively PRIVATE in the context of this interaction, and you must leave me alone in the interests of JUSTICE, which is legally defined as "the right to be left alone". Since it costs you NOTHING to simply LEAVE ME ALONE, then you can't claim I owe you anything for it or that it is a privilege that I have to pay for in the form of "taxes". YES, a "taxpayer" is someone subject to a tax, but the decision to BECOME a "taxpayer" is voluntary. This is proven by:

1. *Why Domicile and Becoming a "Taxpayer" Require Your Consent*, Form #05.002;  
<https://sedm.org/Forms/05-MemLaw/Domicile.pdf>.
2. *How State Nationals Volunteer to Pay Income Tax*, Form #08.024  
<https://sedm.org/Forms/08-PolicyDocs/HowYouVolForIncomeTax.pdf>

Either I own my life and am in charge of it and everything that affects it through my own actions, or I'm a slave and a peon and you are a tyrant. It can't be both. Welcome to The Matrix, Neo.

**IRS AGENT QUESTION:**

Do we have permission to use YOUR number as private property for a commercial use to tax you with your permission?

**YOUR ANSWER:**

Absolutely not! My God forbids me to act as a Buyer or user of government property or services of any kind. Violating that edict constitutes treason and comes the most heinous curse in the Holy Bible in Deuteronomy 28:43-51. If you really are a legitimate government, you will do your ONLY real job of protecting private property, leaving it and me alone. The government's only job according to the Declaration of Independence is to protect PRIVATE property. The first step in delivering that PRIVATE property protection is to keep the property from being converted from PRIVATE to PUBLIC property or governmental control without the consent of the owner. It is your MAIN JOB to keep PUBLIC and PRIVATE separate at all times. See: *Separation Between Public and Private Course*, Form #12.025; <https://sedm.org/LibertyU/SeparatingPublicPrivate.pdf>. If you won't do YOUR ONLY job of maintaining that separation, then why the HELL would I want to hire you as a security guard to protect my PRIVATE property from anyone ELSE's theft? I remind you that income taxation is the institutionalized process of converting PRIVATE to PUBLIC in order to fund the government. That conversion MUST be consensual or we are all SLAVES and PEONS in violation of the Thirteenth Amendment. It is an oxymoron to implement tax SLAVERY to pay for FREEDOM from slavery. Are you crazy? What have you been smoking?

I don't want your CIVIL statutory protection and I have the right to reject its benefits in favor of the common law or private contracts. At the same time, I'm NOT saying you don't deserve to be paid for the protection you provide in the form of the criminal law, the common law, or the military. It would be irresponsible of me to object to NOT paying for that. A workman is always worthy of his hire, according to the Bible. HOWEVER, I must have the discretion to decide WHAT I want to hire you to protect at least in a CIVIL statutory context. If I don't have that degree of discretion and autonomy, then I'm a slave and government chattel. The scenario where I do have that protection I identify as "natural law". For a definition of "natural law", see:

*Disclaimer*, Section 4.31: Natural law  
<https://sedm.org/disclaimer.htm#4.31. Natural law>

Usually, after the above interchange, the IRS agent will realize he is digging a DEEP hole for himself and will abruptly end that sort of inquiry, and many times will also end his collection efforts. When you get him to admit on the record that he is committing crimes, he no longer has a plausible deniability defense if he ends up in front of a jury.

### **3.2 What is "Property"?**

Property is legally defined as follows:

*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 everyone else from interfering with it. That dominion or indefinite right of use or disposition which one may lawfully exercise over 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 embraces everything which is or may be the subject of ownership, whether a legal ownership, or whether beneficial, or a private ownership. *Davis v. Davis*. TexCiv-App., 495 S.W.2d. 607. 611. Term includes not only 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.*

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

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

Keep in mind the following critical facts about "property" as legally defined:

1. The essence of the "property" right, also called "ownership", is the RIGHT TO EXCLUDE others from using or benefitting from the use of the property.

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

"In this case, we hold that the "right to exclude," so universally held to be a fundamental element of the property right,<sup>[11]</sup> falls within this category of interests that the Government cannot take without compensation."  
[*Kaiser Aetna v. United States*, 444 U.S. 164 (1979)]

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

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

### 3.3 "Public" v. "Private" property ownership

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

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

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

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

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

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



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

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

**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)
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. <sup>1</sup> 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.

<sup>1</sup> See: *About SSNs and TINs on Government Forms and Correspondence, Form #05.012.*



1           *"As expressed otherwise, the powers delegated to a public officer are held in trust for the people and are to be*  
2 *exercised in behalf of the government or of all citizens who may need the intervention of the officer.* <sup>2</sup>  
3 *Furthermore, the view has been expressed that all public officers, within whatever branch and whatever level*  
4 *of government, and whatever be their private vocations, are trustees of the people, and accordingly labor under*  
5 *every disability and prohibition imposed by law upon trustees relative to the making of personal financial gain*  
6 *from a discharge of their trusts.* <sup>3</sup> *That is, a public officer occupies a fiduciary relationship to the political*  
7 *entity on whose behalf he or she serves.* <sup>4</sup> *and owes a fiduciary duty to the public.* <sup>5</sup> *It has been said that the*  
8 *fiduciary responsibilities of a public officer cannot be less than those of a private individual.* <sup>6</sup> *Furthermore,*  
9 *it has been stated that any enterprise undertaken by the public official which tends to weaken public confidence*  
10 *and undermine the sense of security for individual rights is against public policy.* <sup>7</sup>  
11 *[63C American Jurisprudence 2d, Public Officers and Employees, §247 (1999)]*

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

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

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

21           *The present assault upon capital [THEFT! and WEALTH TRANSFER by unconstitutional CONVERSION of*  
22 *PRIVATE property to PUBLIC property] is but the beginning. It will be but the stepping stone to others larger*  
23 *and more sweeping, until our political contest will become war of the poor against the rich; a war of growing*  
24 *intensity and bitterness."*  
25 *[Pollock v. Farmers' Loan & Trust Co., 157 U.S. 429, 158 U.S. 601 (1895), hearing the case against the first*  
26 *income tax passed by Congress that included people in states of the Union. They declared that first income tax*  
27 *UNCONSTITUTIONAL, by the way]*

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

- 30 1. All property is PUBLIC property and there IS no PRIVATE property.
- 31 2. The government owns and/or controls all property and said property is LOANED to the people.
- 32 3. The government and/or the collective has rights superior to those of the individual. There is and can be NO equality or  
33 equal protection under the law without the right of PRIVATE property. In that sense, the government or the "state" is  
34 a pagan idol with "supernatural powers" because human beings are "natural" and they are inferior to the collective.
- 35 4. Control is synonymous with ownership. If the government CONTROLS the property but the citizen "owns" it, then:  
36 4.1. The REAL owner is the government.  
37 4.2. The ownership of the property is QUALIFIED rather than ABSOLUTE.  
38 4.3. The person holding the property is a mere CUSTODIAN over GOVERNMENT property and has EQUITABLE  
39 rather than LEGAL ownership. Hence, their name in combination with the Social Security Number constitutes a  
40 PUBLIC office synonymous with the government itself.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> 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).

<sup>6</sup> 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.

<sup>7</sup> 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).

5. Everyone in temporary use of said property is an officer and agent of the state. A “public officer”, after all, is someone who is in charge of the PROPERTY of the public. It is otherwise a crime to use public property for a PRIVATE use or benefit. That crime is called theft or conversion:

*“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. Frohmler, 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]*

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

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

The legal definition of “property” confirms that one who OWNS a thing has the EXCLUSIVE right to use and dispose of and CONTROL the use of his or her or its property and ALL the fruits and “benefits” associated with the use of such property . The implication is that you as the PRIVATE owner have a right to EXCLUDE ALL OTHERS including all governments from using, benefitting from, or controlling your property. Governments, after all, are simply legal “persons” and the constitution guarantees that ALL “persons” are equal. If your neighbor can’t benefit from your property without your consent, then neither can any so-called “government”.

*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 everyone else from interfering with it. That dominion or indefinite right of use or disposition which one may lawfully exercise over 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 embraces everything which is or may be the subject of ownership, whether a legal ownership. or whether beneficial, or a private ownership. Davis v. Davis. TexCiv-App., 495 S.W.2d. 607. 611. Term includes not only 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]

In a lawful de jure government under our constitution:

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

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

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

*“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: 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”]; second, that if he devotes it to a public use, he gives to the public a right to control that use; and third, that whenever the public needs require, the public may take it upon payment of due compensation.**”*

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

3. You have to knowingly and intentionally DONATE your PRIVATE property to a public use and a PUBLIC purpose before the government can lawfully REGULATE its use. In other words, you have to at least SHARE your ownership of otherwise private property with the government and become an EQUITABLE rather than ABSOLUTE owner of the property before they can acquire the right to regulate its use or impose obligations or duties upon its original owner.
4. That donation ordinarily occurs by applying for and/or using a license in connection with the use of SPECIFIC otherwise PRIVATE property.
5. The process of applying for or using a license and thereby converting PRIVATE into PUBLIC cannot be compelled. If it is, the constitutional violation is called “eminent domain” without compensation or STEALING, in violation of the Fifth Amendment takings clause.
6. You have a PUBLIC persona (office) and a PRIVATE persona (human) at all times.
- 6.1. That which you VOLUNTARILY attach a government license number to, such as a Social Security Number or Taxpayer Identification Number, becomes PRIVATE property donated to a public use to procure the benefits of a PUBLIC franchise. That property, in turn, is effectively OWNED by the government grantor of your public persona and the public office it represents.
- 6.2. If you were compelled to use a government license number, such as an SSN or TIN, then a theft and taking without compensation has occurred, because all property associated with such numbers was unlawfully converted and STOLEN.
7. If the right to contract of the parties conducting any business transaction has any meaning at all, it implies the right to EXCLUDE the government from participation in their relationship.
- 7.1. You can write the contract such that neither party may use or invoke a license number, or complain to a licensing board, about the transaction, and thus the government is CONTRACTED OUT of the otherwise PRIVATE relationship. Consequently, the transaction becomes EXCLUSIVELY PRIVATE and government may not tax or regulate or arbitrate the relationship in any way under the terms of the license franchise.
- 7.2. Every consumer of your services has a right to do business with those who are unlicensed. This right is a natural consequence of the right to CONTRACT and NOT CONTRACT. The thing they are NOT contracting with is the GOVERNMENT, and the thing they are not contracting FOR is STATUTORY/FRANCHISE “protection”. Therefore, even those who have applied for government license numbers are NOT obligated to use them in connection with any specific transaction and may not have their licenses suspended or revoked for failure or refusal to use them for a specific transaction.
8. If the government invades the commercial relationship between you and those you do business with by forcing either party to use or invoke the license number or pursue remedies or “benefits” under the license, they are:
- 8.1. Interfering with your UNALIENABLE right to contract.
- 8.2. Compelling you to donate EXCLUSIVELY PRIVATE property to a PUBLIC use.
- 8.3. Exercising unconstitutional eminent domain over your otherwise PRIVATE property.
- 8.4. Compelling you to accept a public “benefit”, where the “protection” afforded by the license is the “benefit”.

The above requirements of the USA Constitution are circumvented with nothing more than the simple PRESUMPTION, usually on the part of the IRS and corrupted judges who want to STEAL from you, that the GOVERNMENT owns it and that

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 such a right, and all such presumptions are a violation of due process of law.

(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 Bd. 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]*

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

1. PRESUMING that you are a public officer and therefore, that everything held in your name is PUBLIC property of the 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>

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>

3. PRESUMING that because you did not rebut evidence connecting you to a public office, then you CONSENT to occupy the office.

4. PRESUMING that ALL of the four contexts for "United States" are equivalent.

5. PRESUMING that CONSTITUTIONAL citizens and STATUTORY citizens are EQUIVALENT under federal law. They are NOT. A CONSTITUTIONAL citizen is a "non-citizen national" under federal law and NOT a "citizen of the 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>

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>

7. Using the word "citizenship" in place of "nationality" OR "domicile", and refusing to disclose WHICH of the two they mean in EVERY context.

8. Confusing the POLITICAL/CONSTITUTIONAL meaning of words with the civil STATUTORY context. For instance, asking on government forms whether you are a POLITICAL/CONSTITUTIONAL citizen and then FALSELY PRESUMING that you are a STATUTORY citizen under 8 U.S.C. §1401.

9. Confusing the words "domicile" and "residence" or impute either to you without satisfying the burden of proving that you EXPRESSLY CONSENTED to it and thereby illegally kidnap your civil legal identity against your will. One can 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>

10. Adding things or classes of things to the meaning of statutory terms that do not EXPRESSLY appear in their 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>

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 statutory definition. This substitutes the JUDGES will for what the law expressly says and thereby substitutes PUBLIC POLICY for the written law.



12. Publishing deceptive government publications that are in deliberate conflict with what the statutes define "United States" as and then tell the public that they CANNOT rely on the publication. The [IRS does this with ALL of their 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>

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

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

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

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

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

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

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

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

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

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

It ought to be very obvious to the reader that:

1. The rules for converting PRIVATE property to PUBLIC property ought to be consistently, completely, clearly, and unambiguously defined by every government officer you come in contact with, and ESPECIALLY in court. These rules ought to be DEMANDED to be declared EVEN BEFORE you enter a plea in a criminal case.
2. If the government asserts any right over your PRIVATE property, they are PRESUMING they are the LEGAL owner and relegating you to EQUITABLE ownership. This presumption should be forcefully challenged.
3. If they won't expressly define the rules, or try to cloud the rules for converting PRIVATE property to PUBLIC property, then they are:

- 3.1. Defeating the very purpose for which they were established as a “government”. Hence, they are not a true “government” but a de facto private corporation PRETENDING to be a “government”, which is a CRIME under 18 U.S.C. §912.
- 3.2. Exercising unconstitutional eminent domain over private property without the consent of the owner and without compensation.
- 3.3. Trying to STEAL from you.
- 3.4. Violating their fiduciary duty to the public.

### 3.5 The Right to be left alone

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

*"The makers of our Constitution undertook to secure conditions favorable to the pursuit of happiness. They recognized the significance of man's spiritual nature, of his feelings and of his intellect. They knew that only a part of the pain, pleasure and satisfactions of life are to be found in material things. They sought to protect Americans in their beliefs, their thoughts, their emotions and their sensations. **They conferred, as against the Government, the right to be let alone - the most comprehensive of rights and the right most valued by civilized men.**"*

*[Olmstead v. United States, 277 U.S. 438, 478 (1928) (Brandeis, J., dissenting) ; see also Washington v. Harper, 494 U.S. 210 (1990)]*

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

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

***"Justice, as a moral habit, is that tendency of the will and mode of conduct which refrains from disturbing the lives and interests of others, and, as far as possible, hinders such interference on the part of others.*** This virtue springs from the individual's respect for his fellows as ends in themselves and as his co equals. The different spheres of interests may be roughly classified as follows: body and life; the family, or the extended individual life; property, or the totality of the instruments of action; honor, or the ideal existence; and finally freedom, or the possibility of fashioning one's life as an end in itself. The law defends these different spheres, thus giving rise to a corresponding number of spheres of rights, each being protected by a prohibition. . . . To violate the rights, to interfere with the interests of others, is injustice. All injustice is ultimately directed against the life of the neighbor; it is an open avowal that the latter is not an end in itself, having the same value as the individual's own life. The general formula of the duty of justice may therefore be stated as follows: Do no wrong yourself, and permit no wrong to be done, so far as lies in your power; or, expressed positively: Respect and protect the right." *[Readings on the History and System of the Common Law, Second Edition, Roscoe Pound, 1925, p. 2]*

The Bible also states the foundation of justice by saying:

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

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

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

*[Thomas Jefferson: 1st Inaugural, 1801. ME 3:320]*

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

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

*"There is a clear distinction in this particular case between an individual and a corporation, and that the latter has no right to refuse to submit its books and papers for an examination at the suit of the State. The individual may stand upon his constitutional rights as a citizen. **He is entitled to carry on his private business in his own way. His power to contract is unlimited. He owes no such duty to the State, since he receives nothing therefrom,***



1 beyond the protection of his life and property. His rights are such as existed by the law of the land long  
2 antecedent to the organization of the State, and can only be taken from him by due process of law, and in  
3 accordance with the constitution. Among his rights are a refusal to incriminate himself, and the immunity of  
4 himself and his property from arrest or seizure except under a warrant of the law. He owes nothing to the public  
5 so long as he does not trespass upon their rights."  
6 [*Hale v. Henkel*, [201 U.S. 43](#), 74 (1906)]

7  
8 Internal Revenue Manual (I.R.M.), Section 5.14.10.2 (09-30-2004)  
9 Payroll Deduction Agreements

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

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

17 “The power to “legislate generally upon” life, liberty, and property, as opposed to the “power to provide modes  
18 of redress” against offensive state action, was “repugnant” to the Constitution. *Id.*, at 15. See also *United States*  
19 *v. Reese*, [92 U.S. 214, 218](#) (1876); *United States v. Harris*, [106 U.S. 629, 639](#) (1883); *James v. Bowman*, [190 U.S.](#)  
20 [127, 139](#) (1903). Although the specific holdings of these early cases might have been superseded or modified, see,  
21 e.g., *Heart of Atlanta Motel, Inc. v. United States*, [379 U.S. 241](#) (1964); *United States v. Guest*, [383 U.S. 745](#)  
22 (1966), their treatment of Congress’ §5 power as corrective or preventive, not definitional, has not been  
23 questioned.”  
24 [*City of Boerne v. Flores*, *Archbishop of San Antonio*, [521 U.S. 507](#) (1997)]

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

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

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

36 [. . .]

37 Given that the statutory authorization for the challenges exercised in this case is clear, the remainder of our state  
38 action analysis centers around the second part of the *Lugar* test, whether a private litigant, in all fairness, must  
39 be deemed a government actor in the use of peremptory challenges. Although we have recognized that this aspect  
40 of the analysis is often a fact-bound inquiry, see *Lugar*, *supra*, 457 U.S. at 939, our cases disclose certain  
41 principles of general application. Our precedents establish that, in determining whether a particular action or  
42 course of conduct is governmental in character, it is relevant to examine the following: the extent to which the  
43 actor relies on governmental assistance and benefits, see *Tulsa Professional Collection Services, Inc. v. Pope*,  
44 485 U.S. 478 (1988); *Burton v. Wilmington Parking Authority*, 365 U.S. 715 (1961); whether the actor is  
45 performing a traditional governmental function, see *Terry v. Adams*, 345 U.S. 461 (1953); *Marsh v. Alabama*,  
46 326 U.S. 501 (1946); cf. *San Francisco Arts & Athletics, Inc. v. United States Olympic [500 U.S. 614, 622]*  
47 *Committee*, 483 U.S. 522, 544 -545 (1987); and whether the injury caused is aggravated in a unique way by the  
48 incidents of governmental authority, see *Shelley v. Kraemer*, 334 U.S. 1 (1948). Based on our application of these  
49 three principles to the circumstances here, we hold that the exercise of peremptory challenges by the defendant  
50 in the District Court was pursuant to a course of state action.  
51 [*Edmonson v. Leesville Concrete Company*, 500 U.S. 614 (1991)]

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

- 54 1. Cause the licensee or franchisee to represent a “public office” and work for the government.

2. Cause the licensee or franchisee to act in a representative capacity as an officer of the government, which is a federal corporation and therefore he or she becomes an “officer or employee of a corporation” acting in a representative capacity. 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 provisions as an officer or employee of a corporation.
3. Change the effective domicile of the “office” or “public office” of the licensee or franchisee to federal territory pursuant to Federal Rule of Civil Procedure 17(b), 26 U.S.C. §7701(a)(39), and 26 U.S.C. §7408(d).

IV. PARTIES > Rule 17.

*(b) Capacity to Sue or be Sued.*

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

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

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

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

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

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

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

TITLE 5 > PART I > CHAPTER 5 > SUBCHAPTER II > § 552a  
§ 552a. Records maintained on individuals

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

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

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 for the government by participating in its franchises, then the government has NO AUTHORITY to even keep records on you under the authority of the Privacy Act and you would be committing perjury under penalty of perjury to call yourself an “individual” on a government form. Why? Because you are the sovereign and the sovereign is not the subject of the law, but the author of the law!

*“Since in common usage, the term person does not include the sovereign, statutes not employing the phrase are ordinarily construed to exclude it.”*

*[United States v. Cooper Corporation, 312 U.S. 600 (1941)]*

*“There is no such thing as a power of inherent Sovereignty in the government of the United States. In this country **sovereignty resides in the People**, and Congress can exercise no power which they have not, by their Constitution entrusted to it: All else is withheld.”*

*[Juilliard v. Greenman, 110 U.S. 421 (1884)]*

*“Sovereignty itself is, of course, not subject to law for it is the author and source of law;”*

*[Yick Wo v. Hopkins, 118 U.S. 356 (1886)]*

*“Under our form of government, the legislature is NOT supreme. It is only one of the organs of that ABSOLUTE SOVEREIGNTY which resides in the whole body of the PEOPLE; like other bodies of the government, it can only exercise such powers as have been delegated to it, and **when it steps beyond that boundary, its acts.. are utterly VOID.**”*

*[Billings v. Hall, 7 CA. 1]*

*“In Europe, the executive is synonymous with the sovereign power of a state...where it is too commonly acquired by force or fraud, or both...In America, however the case is widely different. Our government is founded upon compact. **Sovereignty was, and is, in the people.**”*

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

1. You misrepresented your domicile as being on federal territory within the “United States” or the “State of \_\_\_” by declaring yourself to be either a statutory “U.S. citizen” pursuant to 8 U.S.C. §1401 or a statutory “resident” (alien) pursuant to 26 U.S.C. §7701(b)(1)(A). This made you subject to their laws and put you into a privileged state.
2. You filled out a government application for a franchise, which includes government benefits, professional licenses, driver’s licenses, marriage licenses, etc.
3. Someone else filed a document with the government which connected you to a franchise, even though you never consented to participate in the franchise. For instance, IRS information returns such as W-2, 1042S, 1098, and 1099 presumptively connect you to a “trade or business” in the U.S. government pursuant to 26 U.S.C. §6041. A “trade or 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 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>

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

It is extremely important to know the difference between PRIVATE and PUBLIC “persons”, because we all have private and public identities. This division of our identities is recognized in the 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 two separate persons. 4 Co. 118.

[Bouvier’s Maxims of Law, 1856;

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

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

*“A private person cannot make constitutions or laws, nor can he with authority construe them, nor can he administer or execute them.”*

[*United States v. Harris*, 106 U.S. 629, 1 S.Ct. 601, 27 L.Ed. 290 (1883)]

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

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

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

“Upon the other hand, the [PUBLIC] corporation is a creature of the state. It is presumed to be incorporated for the benefit of the public. It receives certain special privileges and franchises, and holds them subject to the laws of the state and the limitations of its charter. Its powers are limited by law. It can make no contract not authorized by its charter. Its rights to [201 U.S. 43, 75] act as a corporation are only preserved to it so long as it obeys the laws of its creation. There is a reserved right in the legislature to investigate its contracts and find out whether it has exceeded its powers. It would be a strange anomaly to hold that a state, having chartered a corporation to make use of certain franchises, could not, in the exercise of its sovereignty, inquire how these franchises had been employed, and whether they had been abused, and demand the production of the corporate

books and papers for that purpose. The defense amounts to this: That an officer of a corporation which is charged with a criminal violation of the statute, may plead the criminality of such corporation as a refusal to produce its books. To state this proposition is to answer it. While an individual may lawfully refuse to answer incriminating 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)]

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

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

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

But very different considerations apply to the **internal commerce** or **domestic trade** of the States. Over this commerce and trade Congress has **no power of regulation nor any direct control**. This power belongs **exclusively** to the States. **No interference by Congress with the business of citizens transacted within a State is warranted by the Constitution, except such as is strictly incidental to the exercise of powers clearly granted to the legislature**. The power to authorize a business within a State is plainly repugnant to the exclusive power of the State over the same subject. It is true that the power of Congress to tax is a very extensive power. It is given in the Constitution, with only one exception and only two qualifications. Congress cannot tax exports, and it must impose direct taxes by the rule of apportionment, and indirect taxes by the rule of uniformity. Thus limited, and thus only, it reaches every subject, and may be exercised at discretion. But, it reaches only existing subjects. **Congress cannot authorize a trade or business within a State in order to tax it.**"  
[License Tax Cases, [72 U.S. 462](#), 18 L.Ed. 497, 5 Wall. 462, 2 A.F.T.R. 2224 (1866)]

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

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

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

**"It is true, that the person who accepts an office may be supposed to enter into a compact to be answerable to the government, which he serves, for any violation of his duty; and, having taken the oath of office, he would unquestionably be liable, in such case, to a prosecution for perjury in the Federal Courts. But because one man, by his own act [CONSENT], renders himself amenable to a particular jurisdiction, shall another man, who has not incurred a similar obligation, be implicated? If, in other words, it is sufficient to vest a jurisdiction in this court, that a Federal Officer is concerned; if it is a sufficient proof of a case arising under a law of the**

United States to affect other persons, that such officer is bound, by law, to discharge his duty with fidelity; a source of jurisdiction is opened, which must inevitably overflow and destroy all the barriers between the judicial authorities of the State and the general government. Anything which can prevent a Federal Officer from the punctual, as well as from an impartial, performance of his duty; an assault and battery; or the recovery of a debt, as well as the offer of a bribe, may be made a foundation of the jurisdiction of this court; and, considering the constant disposition of power to extend the sphere of its influence, fictions will be resorted to, when real cases cease to occur. A mere fiction, that the defendant is in the custody of the marshall, has rendered the jurisdiction of the King's Bench universal in all personal actions."

[United States v. Worrall, 2 U.S. 384 (1798)]

SOURCE: [http://scholar.google.com/scholar\\_case?case=3339893669697439168/](http://scholar.google.com/scholar_case?case=3339893669697439168/)

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

"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]

"If any question of fact or liability be conclusively be presumed [rather than proven] against him, this is not due process of law. [ . . . ] the presumption of innocence under which guilt must be proven by legally obtained evidence and the verdict must be supported by the evidence presented; rights at the earliest stage of the criminal process; and the guarantee that an individual will not be tried more than once for the same offence (double jeopardy).

[Black's Law Dictionary, Sixth Edition, p. 500]

"A presumption is neither evidence nor a substitute for evidence."<sup>8</sup>

[American Jurisprudence 2d, Evidence, §181 (1999)]

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

<sup>8</sup> 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 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  
2 because of a completely irrational and maybe even criminal answer.

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

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

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

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

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

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

21 The PUBLIC officer "straw man" (e.g. statutory "taxpayer") was created by the Application for the Social Security Card,  
22 SSA Form SS-5. It is a privileged STATUS under an [unconstitutional national franchise](#) of the [de facto government](#). It is  
23 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)  
<http://sedm.org/Forms/FormIndex.htm>

24 The PRIVATE "John Doe" is a statutory "non-resident alien non-individual" not engaged in the "trade or business"/PUBLIC  
25 OFFICER franchise in relation to the PUBLIC. He exists in the republic and is a free inhabitant under the Articles of  
26 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)  
<http://famguardian.org/Subjects/Spirituality/Articles/UnlimitedLiabilityUniverse.htm>

27 The PUBLIC "JOHN DOE" is a public office in the government corporation and statutory "U.S. citizen" per 8 U.S.C. §1401,  
28 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,  
29 obligations, immunities, and limited liability.

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

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

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

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

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

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

"These general rules are well settled:

(1) That the United States, when it creates rights in individuals against itself [a "public right", which is a euphemism for a "franchise" to help the court disguise the nature of the transaction], is under no obligation to provide a remedy through the courts. *United States ex rel. Dunlap v. Black*, 128 U.S. 40, 9 Sup.Ct. 12, 32 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; *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.

(2) That where a statute creates a right and provides a special remedy, that remedy is exclusive. *Wilder Manufacturing Co. v. Corn Products Co.*, 236 U.S. 165, 174, 175, 35 Sup.Ct. 398, 59 L.Ed. 520, Ann.Cas. 1916A, 118; *Aranson v. Murphy*, 109 U.S. 238, 3 Sup.Ct. 184, 27 L.Ed. 920; *Barnet v. National Bank*, 98 U.S. 555, 558, 25 L.Ed. 212; *Farmers' & Mechanics' National Bank v. Dearing*, 91 U.S. 29, 35, 23 L.Ed. 196. Still the fact that the right and the remedy are thus intertwined might not, if the provision stood alone, require us to hold that the remedy expressly given excludes a right of review by the Court of Claims, where the decision of the special tribunal involved no disputed question of fact and the denial of compensation was rested wholly upon the construction of the act. See *Medbury v. United States*, 173 U.S. 492, 198, 19 Sup.Ct. 503, 43 L.Ed. 779; *Parish v. 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, 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, 1919." *[U.S. v. Babcock*, 250 U.S. 328, 39 S.Ct. 464 (1919)]

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

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

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

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

Governments become corrupt by:

1. Refusing to recognize the PRIVATE.
2. Undermining or interfering with the invocation of the common law in courts of justice.

<sup>9</sup> *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.

<sup>10</sup> *Pennsylvania R. Co. v. Bowers*, 124 Pa 183, 16 A 836.

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

21 Therefore, it is important to learn how to be EXCLUSIVELY PRIVATE and a CREDITOR in all of our affairs. Freedom is

22 possible in the PRIVATE; it is not even a valid fantasy in the realm of the PUBLIC.

23 Below is a summary:

24 **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) <b>and</b> body CORPORATE (PUBLIC)	Body CORPORATE (PUBLIC) <b>only</b> . All those in the body POLITIC are converted into officers of the corporation by abusing franchises.

### 25 **3.7 All PUBLIC/GOVERNMENT law attaches to government territory, all PRIVATE law**

26 **attaches to your right to contract**

27 A very important consideration to understand is that:

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

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

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

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

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

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

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

1 **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.

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

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

8 *See also Clearfield Trust Co. v. United States*, 318 U.S. 363, 369 (1943) ("The United States does business on  
 9 business terms") (quoting *United States v. National Exchange Bank of Baltimore*, 270 U.S. 527, 534 (1926));  
 10 *Perry v. United States*, *supra* at 352 (1935) ("When the United States, with constitutional authority, makes  
 11 contracts, it has rights and incurs responsibilities similar to those of individuals who are parties to such  
 12 instruments. There is no difference . . . except that the United States cannot be sued without its consent")  
 13 (citation omitted); *United States v. Bostwick*, 94 U.S. 53, 66 (1877) ("The United States, when they contract with  
 14 their citizens, are controlled by the same laws that govern the citizen in that behalf"); *Cooke v. United States*,  
 15 91 U.S. 389, 398 (1875) (explaining that when the United States "comes down from its position of sovereignty,  
 16 and enters the domain of commerce, it submits itself to the same laws that govern individuals there").

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

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

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



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

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

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

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

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

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

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 said property. They say that this authority is the origin of the "police powers" of the state. What they hide, however, is that these same POLICE POWERS involve the CRIMINAL laws and EXCLUDE the CIVIL laws or even franchises. You can TELL they are trying to hide something because around this subject they invoke the Latin language that is unknown to most Americans to conceal the nature of what they are doing. Whenever anyone invokes Latin in a legal setting, a red flag ought to go up because you KNOW they are trying to hide a KEY fact. Here is the Latin they invoked:

*"sic utere tuo ut alienum non laedas"*

<sup>11</sup> 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.

<sup>12</sup> 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,*  
48 *and to vest the legislative*  
49 *power either in a governor and council, or a governor and judges, to be appointed by the President. It was not*  
50 *until they had attained a certain population that power was given them to organize a legislature by vote of the*  
51 *people. In all these cases, as well as in territories subsequently organized west of the Mississippi, Congress*  
52 *thought it necessary either to extend to Constitution and laws of the United States over them, or to declare that*  
53 *the inhabitants should be entitled to enjoy the right of trial by jury, of bail, and of the privilege of the writ of*  
54 *habeas corpus, as well as other privileges of the bill of rights."*  
*[Downes v. Bidwell, 182 U.S. 244 (1901)]*

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

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

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

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

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

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

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

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

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:

4 [1] First, that he shall not use it to his neighbor's injury, and that does not mean that he must  
5 use it for his neighbor's benefit [e.g. SOCIAL SECURITY, Medicare, and  
6 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,  
11 the only people that any government may CIVILLY govern are those without unalienable rights, all of whom MUST therefore  
12 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  
14 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  
16 in which each shall use his own property, when such regulation becomes necessary for the public good."  
17 [Munn v. Illinois, 94 U.S. 113 (1876),  
18 SOURCE: [http://scholar.google.com/scholar\\_case?case=6419197193322400931](http://scholar.google.com/scholar_case?case=6419197193322400931)]

19 All "citizens" that they can regulate therefore must be WITHIN the government and be acting as public officers. Otherwise,  
20 they would continue to be PRIVATE parties beyond the CIVIL control of any government. Hence, in a Republican Form of  
21 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)]

30  
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."<sup>14</sup>

33  
34 <sup>14</sup> Insurance Co. v. New Orleans, 13 Fed.Cas. 67 (C.C.D.La. 1870). Not being citizens of the United States,  
35 corporations accordingly have been declared unable "to claim the protection of that clause of the Fourteenth  
36 Amendment which secures the privileges and immunities of citizens of the United States against abridgment or  
37 impairment by the law of a State." Orient Ins. Co. v. Daggs, 172 U.S. 557, 561 (1869) . This conclusion was in  
38 harmony with the earlier holding in Paul v. Virginia, 75 U.S. (8 Wall.) 168 (1869), to the effect that corporations  
39 were not within the scope of the privileges and immunities clause of state citizenship set out in Article IV, Sec. 2.  
40 See also Selover, Bates & Co. v. Walsh, 226 U.S. 112, 126 (1912) ; Berea College v. Kentucky, 211 U.S. 45 (1908)  
41 ; Liberty Warehouse Co. v. Tobacco Growers, 276 U.S. 71, 89 (1928) ; Grosjean v. American Press Co., 297 U.S.  
42 233, 244 (1936).  
43 [SOURCE: Annotated Fourteenth Amendment, Congressional Research Service:  
44 [http://www.law.cornell.edu/amdt14a\\_hd1](http://www.law.cornell.edu/amdt14a_hd1)]

- 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](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 *--"*



2. Government protects private rights by keeping “public [government] property” and “private property” separate and never allowing them to be joined together. This is the heart of the separation of powers doctrine: separation of what is private 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>

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

*“Voluntati non fit injuria.*

*He who consents cannot receive an injury. 2 Bouv. Inst. n. 2279, 2327; 4 T.R. 657; Shelf. on mar. & Div. 449.*

*Consensus tollit errorem.*

*Consent removes or obviates a mistake. Co. Litt. 126.*

*Melius est omnia mala pati quam malo consentire.*

*It is better to suffer every wrong or ill, than to consent to it. 3 Co. Inst. 23.*

*Nemo videtur fraudare eos qui sciunt, et consentiunt.*

*One cannot complain of having been deceived when he knew the fact and gave his consent. Dig. 50, 17, 145.”*

*[Bouvier’s Maxims of Law, 1856;*

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

4. In law, all rights are “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 everyone else from interfering with it. That dominion or indefinite right of use or disposition which one may lawfully exercise over 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 embraces everything which is or may be the subject of ownership, whether a legal ownership, or whether beneficial, or a private ownership. Davis v. Davis. TexCiv-App., 495 S.W.2d. 607. 611. Term includes not only 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]*

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

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

**Public use.** *Eminent domain. The constitutional and statutory basis for taking property by eminent domain. For 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*]

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

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

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

7.3. Theft.

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

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

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

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

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

9. The Fifth Amendment requires that any taking of private property without the consent of the owner must involve compensation. The Constitution must be consistent with itself. The taxation clauses found in Article 1, Section 8, Clauses 1 and 3 cannot conflict with the Fifth Amendment. The Fifth Amendment contains no exception to the requirement for just compensation upon conversion of private property to a public use, even in the case of taxation. This is why all taxes must be indirect excise taxes against people who provide their consent by applying for a license to engage in the taxed activity: The application for the license constitutes constructive consent to donate the fruits of the activity to a public use, public purpose, and public office.
10. There is only ONE condition in which the conversion of private property to public property does NOT require compensation, which is when the owner donates the private property to a public use, public purpose, or public office. To wit:

*“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: 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”]; second, that if he devotes it to a public use, he gives to the public a right to control that use; and third, that whenever the public needs require, the public may take it upon payment of due compensation.”*  
*[Budd v. People of State of New York, 143 U.S. 517 (1892) ]*

The above rules are summarized below:

**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.<sup>13</sup>

11.2. INDIRECT CONVERSION: Owner assumes a PUBLIC status as a PUBLIC officer in the HOLDING of title to the property.<sup>14</sup> 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.

<sup>13</sup> 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.

<sup>14</sup> 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 it 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.

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

*Invito beneficium non datur.*

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

*Quilibet potest renunciare juri pro se inducto.*

*Any one may renounce a law introduced for his own benefit. To this rule there are some exceptions. See 1 Bouv. Inst. n. 83.*

[Bouvier’s Maxims of Law, 1856,

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

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

**“socialism** n (1839) **1:** any of various economic and political theories advocating collective or governmental ownership and administration of the means of production and distribution of goods **2 a:** a system of society or group living in which there is no private property **b:** a system or condition of society in which the means of production are owned and controlled by the state **3:** a stage of society in Marxist theory transitional between capitalism and communism and distinguished by unequal distribution of goods and pay according to work done.”  
[Webster’s Ninth New Collegiate Dictionary, 1983, ISBN 0-87779-510-X, p. 1118]

Any system of law that recognizes no absolute and inviolable constitutional boundary between PRIVATE property and PUBLIC property, or which regards ALL property as being subject to government taxation and/or regulation is a socialist or 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>

Below is how the U.S. Supreme Court characterizes efforts to violate the rules for converting PRIVATE property into PUBLIC property listed above and thereby STEAL PRIVATE property. The text below the following line up to the end of the section comes from the case indicated:

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

The question presented, therefore, is one of the greatest importance, — whether it is within the competency of a State to fix the compensation which an individual may receive for the use of his own property in his private business, and for his services in connection with it.

[. . .]

139\*139 The validity of the legislation was, among other grounds, assailed in the State court as being in conflict with that provision of the State Constitution which declares that no person shall be deprived of life, liberty, or property without due process of law, and with that provision of the Fourteenth Amendment of the Federal Constitution which imposes a similar restriction upon the action of the State. The State court held, in substance, that the constitutional provision was not violated 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 power to make all needful rules and regulations respecting the use and enjoyment of the property, referring, in support of the position, to instances of its action in prescribing the interest on money, in establishing and regulating public ferries and public mills, and fixing the compensation in the shape of tolls, and in delegating power to municipal bodies to regulate the charges of hackmen and draymen, and the weight and price of bread. In this court the legislation was also assailed on the same ground, our jurisdiction arising upon the clause of the Fourteenth Amendment, ordaining that no State shall deprive any person of life, liberty, or property without due process of law. But it would seem from its opinion that the court holds that property loses something of its private character when employed in such a way as to be generally useful. The doctrine declared is that property "becomes clothed with a public interest when used in a manner to make it of public consequence, and affect the 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 "illusory 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

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

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

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

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

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

The quotations from the writings of Sir Matthew Hale, so far from supporting the positions of the court, do not recognize the interference of the government, even to the extent which I have admitted to be legitimate. They state merely that the franchise of a public ferry belongs to the king, and cannot be used by the subject except by license from him, or prescription time out of mind; and that when the subject has a public wharf by license from the king, or from having dedicated his private wharf 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 and moderate charges. Thus, in the first quotation which is taken from his treatise De Jure Maris, Hale says that the king has

*"a right of franchise or privilege, that no man may set up a common ferry for all passengers without a prescription 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 for the common use of all the king's subjects passing that way; because it doth in consequent tend to a common charge, and is become a thing of public interest and use, and every man for his passage 150\*150 pays a toll, which is a common charge, and every ferry ought to be under a public regulation, viz., that it give attendance at due times, keep a boat in due order, and take but reasonable toll; for if he fail in these he is finable."*

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

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

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

The purport of which is, that if one have a public wharf, by license from the government or his own dedication, he must exact only reasonable compensation for its use. By its dedication to public use, a wharf is as much brought under the common-law rule of subjection to reasonable charges as it would be if originally established or licensed by the crown. All property 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 dedication, under the law governing property appropriated by the government for similar purposes.

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 unable to perceive the pertinency of his observations upon public ferries and public wharves, found in his treatises on "The Rights of the Sea" and on "The Ports of the Sea," to the questions presented by the warehousing law of Illinois, undertaking to regulate the compensation received by the owners of private property, when that property is used for private purposes.

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 reported in 12 East. But that case, so far from sustaining the ruling, establishes, in my judgment, the doctrine that everyone 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 privilege from the government not accorded to others; and even then it only decides what is above stated in the quotations from Sir Matthew Hale, that he must submit, so long as he retains the right or privilege, to reasonable rates. In that case, the London Dock Company, under certain acts of Parliament, possessed the exclusive right of receiving imported goods into their warehouses before the duties were paid; and the question was whether the company was bound to receive them for a reasonable reward, or whether it could arbitrarily fix its compensation. In deciding the case, the Chief Justice, Lord Ellenborough, said: —

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

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

In the case decided by the Supreme Court of Alabama, where a power granted to the city of Mobile to license bakers, and to regulate the weight and price of bread, was sustained so far as regulating the weight of the bread was concerned, no question 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 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 legislature under our government to fix the price which one shall receive for his property of any kind. If the power can be

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 be the subject of legislative direction.

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

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

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

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

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

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

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

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

- 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, 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."<sup>15</sup> 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*

<sup>15</sup> 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.<sup>16</sup> That is, a public officer occupies a fiduciary relationship to the political  
2 entity on whose behalf he or she serves.<sup>17</sup> and owes a fiduciary duty to the public.<sup>18</sup> It has been said that the  
3 fiduciary responsibilities of a public officer cannot be less than those of a private individual.<sup>19</sup> 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.<sup>20</sup>  
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-I9AAAAIAAJ&printsec=titlepage>]

<sup>16</sup> 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.

<sup>17</sup> 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.

<sup>18</sup> 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).

<sup>19</sup> 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.

<sup>20</sup> 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).

9. Whether the PRIVATE public officer, a human being, is “on duty” or “off duty” when he renders his labor services is **crucial** in determining whether the labor and services are deductible as an expense to the business trust filing the return.

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 deductible.

9.2. If the public officer is ON DUTY, then they are not.

10. How do you determine what actions are attributable to the public office and which are not?

10.1. Anything VOLUNTARILY associated with the license number is an act of the public office and NOT the human being filling the office. For instance, if withholding paperwork were provided by the human being to the payer in connection with a financial transaction or business relationship, and that withholding paperwork included a Taxpayer Identification Number, then the payment is connected with the public office and not the private human being.

10.2. Anything NOT associated with the number is PRIVATE activity of the human being.

For details on how PRIVATE property is donated to a PUBLIC use by associating it with PUBLIC property called a Taxpayer Identification Number, see:

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

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

1. The reason you must distinguish between the public office/straw man and the private human being is summed up in the 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>]

2. The business trust uses the all caps name in association with the Social Security number and says after the name “(business trust)” on the return and all correspondence.

3. The private human being:

3.1. Spells his name in all lower case

3.2. Puts after his/her name and signature “(private human being)”.

3.3. Identifies him/her self as a “nontaxpayer” not engaged in the “trade or business”/public office franchise and a nonresident.

3.4. Does not use the government’s “de facto license number”, the SSN or TIN.

4. A contract in commerce between the business trust and the human being must be attached to the tax return distinguishing the two, and characterizing the earnings of the private human being as:

4.1. Being rendered OFF DUTY as OTHER than a public officer.

4.2. Rendered by a nonresident alien who is not a STATUTORY “individual” or “person”, meaning PUBLIC person.

4.3. Not connected to the public officer license number called the Taxpayer Identification Number.

4.4. Deposited to an account not connected with the Taxpayer Identification Number.

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 Columbia and statutory but not Constitutional “States” found in 4 U.S.C. §110(d).

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

## CAVEAT EMPTOR!

The IRS and the government have a vested interest to hide the information in this section in order that you won’t deduct the 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 more information on who this “taxpayer” is, see:

## 5 Excludability of filer's OWN labor

### 5.1 What is CONSTITUTIONAL "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.

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

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

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

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

*Mr. CUMMINS [ . . . ]*

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

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

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

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

13 Mr. FLETCHER. Mr. President-

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

15 Mr. CUMMINS. I yield to the Senator.

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

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

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

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

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

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

42 (b) Income

43 For purposes of this subpart and subparts B, C, and D, the term "income", when not preceded by the words  
44 "taxable", "distributable net", "undistributed net", or "gross", means the amount of income of the estate or  
45 trust for the taxable year determined under the terms of the governing instrument and applicable local law.  
46 Items of gross income constituting extraordinary dividends or taxable stock dividends which the fiduciary, acting  
47 in good faith, determines to be allocable to corpus under the terms of the governing instrument and applicable  
48 local law shall not be considered income.

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

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

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

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

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

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

Executive Order 12731  
"Part 1 -- PRINCIPLES OF ETHICAL CONDUCT

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

**"(a) Public service is a public trust, requiring employees to place loyalty to the Constitution, the laws, and 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, 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:

***How the Government Defrauds You Out of Legitimate Exclusions for the Market Value of Your Labor***  
Copyright Sovereignty Education and Defense Ministry, <http://sedm.org>  
Form 05.026, Rev. 09-20-2024

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EXHIBIT: \_\_\_\_\_



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

## 5.2 ELECTIONS: When “gross income” includes MORE than “profit”<sup>21</sup>

The Sixteenth Amendment limits the term “income” and therefore STATUTORY “gross income” to “profit”.

*After examining dictionaries in common use (Bouv. L.D.; Standard Dict.; Webster's Internat. Dict.; Century Dict.), we find little to add to the succinct definition adopted in two cases arising under the Corporation Tax Act of 1909 (Stratton's Independence v. Howbert, 231 U.S. 399, 415; Doyle v. Mitchell Bros. Co., 247 U.S. 179, 185) — “Income may be defined as the gain derived from capital, from labor, or from both combined,” provided it be understood to include profit gained through a sale or conversion of capital assets, to which it was applied in the Doyle Case (pp. 183, 185).*

*Brief as it is, it indicates the characteristic and distinguishing attribute of income essential for a correct solution of the present controversy. The Government, although basing its argument upon the definition as quoted, placed chief emphasis upon the word “gain,” which was extended to include a variety of meanings; while the significance of the next three words was either overlooked or misconceived. “Derived — from — capital;” — “the gain — derived — from — capital,” etc. Here we have the essential matter: not a gain accruing to capital, not a growth or increment of value in the investment; but a gain, a profit, something of exchangeable value proceeding from the property, severed from the capital however invested or employed, and coming in, being “derived,” that is, received or drawn by the recipient (the taxpayer) for his separate use, benefit and disposal; — that is income derived from property. Nothing else answers the description.  
[Eisner v. Macomber, 252 U.S. 189, 206-208 (1920); SOURCE:  
[https://scholar.google.com/scholar\\_case?case=6666969430777270424](https://scholar.google.com/scholar_case?case=6666969430777270424)]*

However, there are occasions where an ELECTION of some kind can EXPAND the definition of “gross income” in 26 U.S.C. §61 beyond mere PROFIT to encompass MORE than mere “profit”, such as “GROSS RECEIPTS”. That election happens by one of two methods:

1. Electing U.S. person status under 26 U.S.C. §7701(a)(30), which makes YOUR status PUBLIC rather than private. This has the effect of making all property connected to you by the franchise mark PUBLIC as well, since a Social Security Number is mandatory for all U.S. persons.
2. “Effectively connecting” your earnings by entering them on the 1040-NR return.

Since item 1 is forbidden to Compliant Members, the following subsections will delve into item 2 above.

This subject is EXTREMELY important because it permits you to EXCLUDE from entering ANYTHING on the 1040-NR return as “income” if you don’t CONSENT to effectively connect that amount. We account for this option recognized by law to EXCLUDE earnings from the 1040-NR return with the following language in our 1040-NR Attachment;

### 5. Blocks 1 to 15: INCOME EFFECTIVELY CONNECTED WITH U.S. TRADE/BUSINESS

1. See definition of “effectively connected” later in section 11.

2. This section contains earnings described in 26 U.S.C. §871(b) from “sources within the United States” and is limited to earnings voluntarily associated with the “trade or business” excise taxable franchise defined as “the functions of a public office” in 26 U.S.C. §7701(a)(26). Everything listed in this section is subject to “trade or business” deductions under 26 U.S.C. §162. “United States” in this context means the government as a corporation, and not a geography. 26 C.F.R. §1.871-2(f) indicates that I am the only one who can “effectively connect” earnings in this section (“by that individual”). Thus, you have no authority to add ANYTHING to this section that I myself did not add, and certainly no type of “income”.

3. Values listed in this section are all zero, because:

<sup>21</sup> Source: Gross Income Worksheet, Form #09.080, Section 4; <https://sedm.org/product/gross-income-worksheet-nonresident-alien-form-09-080/>.

3.1. The 1040-NR Instructions relating to Block 1a (wages) state: “Don’t include any income on line 1a Form 1040-NR that isn’t treated as effectively connected”. Thus, I can’t include any earnings from labor that I don’t consent to donate to a public use in order to procure the “benefit” of “deductions” under [26 U.S.C. §162](#) in connection with a “trade or business”.

3.2. There is no place on the Schedule NEC to enter earnings from my personal labor, thus recognizing that I can only put it on a tax return if I donate it to a public use by “effectively connecting” it.

3.3. Submitter does not consent and has no delegated authority or lawful authority to consent to “effectively connect” his/her earnings or him/her self to a statutory “trade or business” or public office either by entering it on the 1040-NR form or associating it with a statutory SSN/TIN franchise mark. He/she as the absolute owner of both is the only one authorized by law to do so as required by [26 C.F.R. §1.872-2\(f\)](#) and as required by the Bill of Rights protecting all his/her private property.

3.4. Earnings are therefore expressly excluded from “gross income” under [26 C.F.R. §1.871-7\(a\)\(4\)](#) in this section. It would constitute fraud and possibly a violation of [18 U.S.C. §912](#) for me to claim otherwise, as proven by: *The Trade or Business Scam*, <https://sedm.org/Forms/05-MemLaw/TradeOrBusScam.pdf>.

[1040-NR Attachment, Form #09.077, Section 5; <https://sedm.org/Forms/09-Procs/1040NR-Attachment.pdf>]

### 5.2.1 “Effectively Connected” Trap

“Effectively connected” is defined below:

[26 U.S. Code § 864 - Definitions and special rules](#)

(c)Effectively connected income, etc.

(1)General rule

For purposes of this title—

(A) In the case of a nonresident alien individual or a foreign corporation engaged in [trade or business within the United States](#) during the taxable year, the rules set forth in paragraphs (2), (3), (4), (6), (7), and (8) shall apply in determining the income, gain, or loss which shall be treated as effectively connected with the conduct of a [trade or business within the United States](#).

(B) Except as provided in paragraph (6) [\[1\]](#) (7), or (8) or in section 871(d) or sections 882(d) and (e), in the case of a nonresident alien individual or a foreign corporation not engaged in [trade or business within the United States](#) during the taxable year, no income, gain, or loss shall be treated as effectively connected with the conduct of a [trade or business within the United States](#).

The above is not a definition, because it merely describes how to IMPLEMENT it but not WHY it exists. The WHY is answered by the more complete definition of “Effectively connected” below:

**Effectively connected:** Earnings from WITHOUT the “United States” (government) donated to a public use, a public purpose, and a public office to procure the benefits of a franchise privilege such as deductions under 26 U.S.C. §162 and 26 U.S.C. §873.

Our 1040-NR attachment defines “effectively connected” as:

#### 11. Definitions

5. “Effectively connected” means otherwise private property CONSENSUALLY donated by its original owner to a public use, a public purpose, or a public office within the national and not state government, and thus connected to the statutory “trade or business” defined in [26 U.S.C. §7701\(a\)\(26\)](#) as “the functions of a public office”. None of God’s entirely private property under my stewardship falls into this category. All of Gods’ property is absolutely owned private property protected by the constitution and defined as a “foreign estate” under [26 U.S.C. §7701\(a\)\(31\)](#) and the First Amendment separation of church and state. Ownership of “trade or business” property, on the other hand, is QUALIFIED (shared) rather than ABSOLUTE (singular). “Trade or business” property ownership or control is shared by the owner and its government parens patriae, Creator, and owner. A portion of the shared ownership becomes a kickback (called a return) to compensate its trustee for his or her services.

[1040-NR Attachment, Form #09.077, Section 11: Definitions; <https://sedm.org/Forms/09-Procs/1040NR-Attachment.pdf>]

1 Note that there are TWO methods to volunteer to owe tax:

- 2 1. ELECT to change YOUR status from private “nonresident alien” to PUBLIC “U.S. person”.
- 3 2. Elect to convert your PRIVATE property from PRIVATE to PUBLIC by “effectively connecting” it.

4 “Effectively connecting” implements item 2 above, by converting your PROPERTY rather than YOURSELF from PRIVATE

5 to PUBLIC.

6 “Effectively connecting” is an implementation of the rules for converting private to public recognized by the U.S. Supreme

7 Court:

8 “Men are endowed by their Creator with certain unalienable rights, -life, liberty, and the pursuit of happiness;’

9 and to ‘secure,’ not grant or create, these rights, governments are instituted. That property [or income] which a

10 man has honestly acquired he retains full control of, subject to these limitations: First, that he shall not use it

11 to his neighbor’s injury, and that does not mean that he must use it for his neighbor’s benefit [e.g. SOCIAL

12 SECURITY, Medicare, and every other public “benefit”]; second, that if he devotes it to a public use, he gives

13 to the public a right to control that use; and third, that whenever the public needs require, the public may take

14 it upon payment of due compensation.”

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

16 The above rules are summarized below:

17 **Table 6: 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

18 Rule 4 above is implemented by the “effectively connected” scam.

19 **5.2.2 History of “effectively connecting”**

20 The 1966 Tax Act added "effectively connected" income to the definition of "gross income" for a nonresident aliens. This

21 was the same year the rolled out the 1040-NR tax return form. Before that, they only had the 1040 return and nonresident

22 aliens used that form and didn’t check the box that asked “Are you a citizen or resident of the United States?”. See:

Tax Return History-Citizenship, Family Guardian Fellowship  
<https://famguardian.org/Subjects/Taxes/Citizenship/TaxReturnHistory-Citizenship/TaxReturnHistory-Citizenship.htm>

23 Before this, ONLY income that was ACTUALLY from a source within the United States would be "gross income" to a

24 nonresident alien. Such income today would go on the Schedule NEC. Uncle Sam recognized that all Americans are

25 nonresident aliens every year by default (unless they file 1040 for that year). So by creating this "effectively connected" nexus

it allows for a purely CONTRACTUAL/CONSENSUAL liability to be created. Before that it was just mistake of law if a nonresident alien filed as a U.S. person and declared all his income as "gross income".

By introducing this "effectively connected" nexus, the liability is created quasi-contractually through your consent (even if done by mistake) and therefore it is more solidly legal because there is from that point a basis in the Code for liability to arise that way. As if to further cover their asses, they added "national of the United States" to the Code in 1972 in a provision under with Public Law 92-580 for nonresident aliens that allowed for privileged deductions. That provision is now found in 26 U.S.C. §873.

Then later, in 1986, the "election to be treated as a resident alien" in 26 U.S.C. §6013(g) and (h) created a quasi-contractual basis for "U.S. person" whereas before that it would just have been purely mistake of law on the part of the nonresident alien filer. Even to this day, however, there is no statutory provision in the I.R.C. for a "national of the United States" who is a "nonresident alien" (state citizen) to elect to be treated as a "resident alien" or U.S. person if they are not married to one. The U.S. Supreme court DID, however, recognize the right of an American national abroad under 26 U.S.C. 911 to ELECT "U.S. person" status by filing the 1040 when abroad. This happened in *Cook v. Tait*, 265 U.S. 47 (1924). In that case, Cook ELECTED U.S. person status by filing a 1040 instead of a 1040-NR.

Uncle Sam knew since 1919 (if not before that) they were relying on deception to DUPE 1040 filers into liability based on the filer's MISTAKES OF LAW. They wanted tax liability to be more legally solid, so they added these provisions to the Code in 1966, 1972 and in 1986 respectively that would transform what had been up to that point a reliance on duping Americans into pure mistakes of law into these quasi-contractual devices for American nonresident aliens to effectively "opt in" to being liable. This gave everyone running the SCAM more plausible deniability than they had before.

### 5.2.3 "Effectively Connecting" expands STATUTORY "gross income" beyond CONSTITUTIONAL "income"

All waivers of constitutional protections and rights begin with consent, which we call an "election" in this document. Among those waivers are the protections of the Sixteenth Amendment limitation upon "income" as including only PROFIT. Once that consent is given, the Public Rights Doctrine and the Constitutional Avoidance Doctrine of the U.S. Supreme Court kick in, which recognize a waiver of constitutional and Sixteenth Amendment protections. You can learn more about these doctrines in:

*Catalog of U.S. Supreme Court Doctrines*, Litigation Tool #10.020  
<https://sedm.org/Litigation/10-PracticeGuides/SCDoctrines.pdf>

In order for an amount to be taxable as more than just profit as required by the Sixteenth Amendment, there must be a voluntary election to "effectively connect" the earning by placing it in the "effectively connected" section of the 1040-NR return. The Treasury Regulations recognize TWO types of "effective connection":

1. Voluntary "effective connection" by the taxpayer for income from sources WITHOUT the "United States".
  - 1.1. This is described in 26 C.F.R. §1.872-2(f).

*26 C.F.R. §1.872-2 - Exclusions from gross income of nonresident alien individuals.*

*(f) Other exclusions.*

*Income which is from sources without the United States, as determined under the provisions of sections 861 through 863, and the regulations thereunder, is not included in the gross income of a nonresident alien individual unless such income is effectively connected for the taxable year with the conduct of a trade or business in the United States by that individual.*

- 1.2. Notice the phrase "by that individual", meaning you CHOOSE it rather than have it determined by someone else unilaterally.
2. "Deemed effectively connected" without any choice or action by the taxpayer.
  - 2.1. This is found in 26 C.F.R. §1.871-8.
  - 2.2. It includes a nonresident alien student or trainee who is deemed under 26 U.S.C. §871(c) and 26 C.F.R. §1.871-9 to be engaged in trade or business in the United States.

#### 5.2.4 Types of income subject to taxation of TOTAL amount received, rather than just profit

Income subject to taxation on TOTAL amount received appears ONLY on the “effectively connected” section of the 1040-NR or the 1040 returns. Everything on the 1040 return is “trade or business” earnings because it is subject to “deductions” under 26 U.S.C. §162 and is earned by the “U.S. person” fiction and office, rather than the human officer consensually occupying said office. These types of income include:

1. Interest income:
  - 1.1. Interest from savings accounts
  - 1.2. Bond interest (e.g., municipal bonds, corporate bonds)
  - 1.3. Interest from certificates of deposit (CDs)
2. Dividend income:
  - 2.1. Qualified dividends (e.g., from stocks)
  - 2.2. Non-qualified dividends (e.g., from real estate investment trusts)
3. Rent and royalty income:
  - 3.1. Rental income from properties
  - 3.2. Royalties from intellectual property (e.g., patents, copyrights)
  - 3.3. Royalties from natural resources (e.g., oil, gas)
4. Business income:
  - 4.1. Self-employment income (e.g., freelance work)
  - 4.2. Business income from pass-through entities (e.g., partnerships, S corporations)
5. Retirement income:
  - 5.1. Pension income
  - 5.2. Annuity income
  - 5.3. Distributions from retirement accounts (e.g., 401(k), IRA)
6. Prize and award income:
  - 6.1. Lottery winnings
  - 6.2. Contest prizes
  - 6.3. Awards (e.g., Pulitzer Prize)
7. Unemployment compensation:
  - 7.1. State unemployment benefits
8. Social Security benefits:
  - 8.1. Partially taxable above certain income thresholds
9. Alimony:
  - 9.1. Received alimony (note: changed by Tax Cuts and Jobs Act)

Note that the above types of income do NOT appear on the Schedule NEC, because they must be voluntarily connected to the “trade or business” excise taxable franchise by the nonresident alien who owns them by simply entering them on the 1040-NR return.

### 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



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

2                    **The labor of a human being is not a commodity or article of commerce.** Nothing contained in the antitrust laws  
3 shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations,  
4 instituted for the purposes of mutual help, and not having capital stock or conducted for profit, or to forbid or  
5 restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof; nor  
6 shall such organizations, or the members thereof, be held or construed to be illegal combinations or conspiracies  
7 in restraint of trade, under the antitrust laws.

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

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

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

<p>24                    <a href="#"><u>Sixteenth Amendment Congressional Debates</u></a>, Exhibit #02.007 <a href="http://sedm.org/Exhibits/ExhibitIndex.htm"><u>http://sedm.org/Exhibits/ExhibitIndex.htm</u></a></p>
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24                    Among the statements during those debates were the following, which confirm the findings of this section:

25                    “Mr. Brandegee. **Mr. President, what I said was that the amendment [the Sixteenth Amendment] exempts**  
26 **absolutely everything that a man makes for himself.** Of course it would not exempt a legacy which somebody  
27 else made for him and gave to him. If a man’s occupation or vocation—for vocation means nothing but a calling—  
28 if his calling or occupation were that of a financier it would exempt everything he made by underwriting and by  
29 financial operations in the course of a year that would be the product of his effort [LABOR]. **Nothing can be**  
30 **imagined that a man can busy himself about with a view of profit which the amendment as drawn would not**  
31 **utterly exempt.**”  
32 [50 Cong.Rec. p. 3839, 1913]

33                    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:

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

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

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

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

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

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

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

42 The ability to exchange your labor, which has an intrinsic and definable value, for some other valuable commodity is a **right**  
43 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  
44 reason why no part of your own personal labor, including that connected with privileged activities such as a “trade or  
45 business”, can be the subject of **any** tax. There is no such thing as “profit” in the context of your own personal labor, because  
46 they can’t tax or regulate the enjoyment of a right guaranteed by the Constitution. The state may tax profits associated with  
47 **other people** you hire in the context of your business<sup>22</sup>, but not your OWN personal labor in the context of your OWN personal  
48 income tax return. You have a RIGHT to enjoy property, and **you are your own property!** *Lynch v. Household Finance*  
49 *Corp.*, **405 U.S. 538** (1972). You own, govern, and control the exclusive and enjoyment of yourself.<sup>23</sup> Anyone who interferes  
50 with the enjoyment of that right is instituting involuntary servitude in violation of the **Thirteenth Amendment**. Please view  
51 the fascinating animation on this subject below:

**Philosophy of Liberty**, SEDM  
<https://sedm.org/education/liberty-university/liberty-university-2-2-philosophy-of-liberty/>

<sup>22</sup> 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**.

<sup>23</sup> 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.

## 5.4 Why Labor is Property

“Property” is legally defined as follows:

*“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]

Note the above admission that ALL RIGHTS are property:

***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.*  
[Black’s Law Dictionary, Sixth Edition, p. 1216]

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

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

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

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

*“The question of a waiver of a federally guaranteed constitutional right is, of course, a federal question controlled by federal law. There is a presumption against the waiver of constitutional rights, see, e.g. Glasser v. United 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 established that there was “an intentional relinquishment or abandonment of a known right or privilege.” Johnson v. Zerbst, 304 U.S. 458, 464, 82 L.Ed. 1461, 1466, 58 S.Ct. 1019, 146 A.L.R. 357.”*  
[Brookhart v. Janis, 384 U.S. 1; 86 S.Ct. 1245; 16 L.Ed.2d. 314 (1966) ]

The U.S. Supreme Court also explicitly defined “labor” as “property” below, noting again that it is identified as an “inalienable right”, which is equivalent to “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*

1 OF ALL OTHER PROPERTY SO IT IS THE MOST SACRED AND INVIOABLE... to  
2 hinder his employing this strength and dexterity in what manner he thinks proper without injury to his neighbor,  
3 is a plain violation of this most sacred property."  
4 [Butchers' Union Co. v. Crescent City Co., [111 U.S. 746](#) (1884), Concurring opinion of Justice Field]

5 There is ample case law to support the principle of statutory construction which makes the term "any property" all inclusive;  
6 meaning that nothing is to be excluded by the word "any". This is confirmed by the following cases where the United States  
7 contends successfully that "any property" is all inclusive and means all property (see U.S. v. Monsanto, [491 U.S. 600](#), 607-  
8 611 and (syllabus) (1989); United States v. Alvarez-Sanchez, [511 U.S. 350](#), 357 (1994); US. v. Gonzales, [520 U.S. 1](#), 4-6  
9 (1997); Department of Housing and Urban Renewal v. Rucker, 535 U.S. 125, 130-31 (2002) citing Gonzalez and Monsanto).  
10 Monsanto is quoted below:

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

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

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

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

32 An interference with this liberty so serious as that now under consideration, and so disturbing of equality of  
33 right, must be deemed to be arbitrary, unless it be supportable as a reasonable exercise of the police power of  
34 the state. But, notwithstanding the strong general presumption in favor of the validity of state laws, we do not  
35 think the statute in question, as construed and applied in this case, can be sustained as a legitimate exercise of  
36 that power. To avoid possible misunderstanding, we should here emphasize, what has been said before, that so  
37 far as its title or enacting clause expresses a purpose to deal with coercion, compulsion, duress, or other undue  
38 influence, we have no present concern with it, because nothing of that sort is involved in this case. As has [236  
39 U.S. 1, 15] been many times stated, this court deals not with moot cases or abstract questions, but with the  
40 concrete case before it. California v. San Pablo & T.R. Co. [149 U.S. 308, 314](#), 37 S.L.Ed. 747, 748, 13  
41 Sup.Ct.Rep. 876; Richardson v. McChesney, [218 U.S. 487, 492](#), 54 S.L.Ed. 1121, 1122, 31 Sup.Ct.Rep. 43;  
42 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  
43 to say, therefore, that a state may not properly exert its police power to prevent coercion on the part of employers  
44 towards employees, or vice versa.

45 [...]

46 As to the interest of the employed, it is said by the Kansas supreme court to be a matter of common knowledge  
47 that 'employees, as a rule, are not financially able to be as independent in making contracts for the sale of  
48 their labor as are employers in making a contract of purchase thereof.' No doubt, wherever the right of private  
49 property exists, there must and will be inequalities of fortune; and thus it naturally happens that parties  
50 negotiating about a contract are not equally unhampered by circumstances. This applies to all contracts, and not  
51 merely to that between employer and employee. Indeed, a little reflection will show that wherever the right of  
52 private property and the right of free contract coexist, each party when contracting is inevitably more or less  
53 influenced by the question whether he has much property, or little, or none; for the contract is made to the very  
54 end that each may gain something that he needs or desires more urgently than that which he proposes to give in  
55 exchange. And, since it is self-evident that, unless all things are held in common, some persons must have more  
56 property than others, it is from the nature of things impossible to uphold freedom of contract and the right of  
57 private property without at the same time recognizing as legitimate those inequalities of fortune that are the

necessary result of the exercise of those rights. But the 14th Amendment, in declaring that a state shall not 'deprive any person of life, liberty, or property without due process of law,' gives to each of these an equal sanction; it recognizes 'liberty' and 'property' as coexistent human rights, and debars the states from any unwarranted interference with either.

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

[ . . . ]

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

[Coppage v. State of Kansas, 236 U.S. 1 (1915)]

## **5.5 Involuntary Taxes on One's Own PRIVATE Labor are Slavery<sup>24</sup>**

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

U.S. Constitution  
[Thirteenth Amendment](#)

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

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

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

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

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

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

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

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 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 word? But given the adage that those who can control language can control policy, it surely can't hurt to revisit the definition of slavery. There are good reasons to suspect the motives of those who won't allow their basic terms to be defined or scrutinized. Here is a definition, one that will make sense of the instincts telling us that slavery is indeed an abomination:

<sup>24</sup> Adapted from Great IRS Hoax, section 5.4.9.



Slavery is the opposite of “liberty” or the absence of liberty. There is an excellent animation on the following website that 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>

Slavery, therefore, is *involuntary servitude*. When a slave is working to pay off a debt, he is called a “peon”. A slave must work under a whip, real or figurative, wielded by other persons, his owners, with no say in how (or even if) his labors are 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). He cannot simply quit if he doesn't like it. Moreover, a slave can be bought and sold like any other commodity. Justice 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 (1905):

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

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

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

When the IRS fabricates a bogus tax liability without the authority of enacted positive law creating a “liability”, if they lie to 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 which you have informed them under penalty of perjury that you aren't involved in, then they effectively are recruiting or returning you into debt slavery and “peonage” and their activities are a federal offense in violation of 42 U.S.C. §1994 and 18 U.S.C. §1581. These two statutes, incidentally, unlike most other federal legislation and statutes, ***DO*** apply within states of the union according to the U.S. Supreme Court in the above mentioned case. 18 U.S.C. §1593 also mandates restitution for all those persons who have been recruited into slavery or involuntary servitude by their slave masters, which means that we must be compensated fairly for the labor of ours that was in effect stolen from us. Why hasn't the Supreme Court attempted to prevent the unconstitutional implementation of an otherwise constitutional tax law that only operates (as written) within the District of Columbia and other federal territories? Because they are bought and paid for with money they are STEALING from you! By acquiescing to the illegal enforcement of the Internal Revenue Code, which is otherwise constitutional, you are bribing them to maintain the status quo, friends!

In the case of the way the corrupt IRS and an even more corrupted federal judiciary mis-enforces our laws or pretends that 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 libertarian social ethics, in which all human beings have a natural right to ownership of Person and Labor. According to libertarian social ethics, contracts should be voluntary and not coerced. This is sufficient for us to oppose slavery with all

1 our might. However, notice that this clear definition of slavery is a double-edged sword. There is no reference to race in the  
2 above definition. That whites enslaved blacks early in our history is an historical accident; there is nothing inherently racial  
3 about slavery. Many peoples have been enslaved in the past, including whites. The South, too, has no intrinsic connection  
4 with slavery, given how we already noted that it was practiced in the North as well. No slaves were brought into the  
5 Confederacy during its brief, five-year existence, and it is very likely that the practice would have died out in a generation or  
6 two had the Confederacy won the war. The Emancipation Proclamation, in fact, freed all the slaves over which Lincoln had  
7 NOT JURISDICTION.

8 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  
9 similar they are, in fact. We have prepared a table comparing each of these two statuses to show you that they are indeed  
10 synonymous:  
11

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

<i>Characteristic</i>	<i>"Negro slave"</i>	<i>"Taxpayer"</i>
<i>Slave master</i>	Person who paid for the slave	Federal judiciary/legal profession
<i>How recruited into slavery</i>	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.
<i>Slave plantation</i>	Farm owned by slave master	District of Columbia (see 26 U.S.C. §7701(a)(39) and 26 U.S.C. §7408(c)).
<i>Badge of slavery</i>	Being black	Having a Social Security Number (SSN)
<i>Result of slavery</i>	100% ownership of person and labor	<ol style="list-style-type: none"> <li>1. 50% ownership of labor through taxation.</li> <li>2. Political control of spending habits through tax deduction policy.</li> <li>3. No personal or financial privacy.</li> </ol>
<i>Slavery maintained by</i>	<ol style="list-style-type: none"> <li>1. Denying citizenship for slaves.</li> <li>2. Denying education to slaves.</li> <li>3. Denying voting rights for slaves.</li> <li>4. Denying jury service for slaves.</li> </ol>	<ol style="list-style-type: none"> <li>1. Fear, ignorance, and insecurity of "taxpayers".</li> <li>2. Not allowing "taxpayers" to be educated about what the laws say in the public schools or the courtroom.</li> <li>3. Threat of being either not hired or fired by employer for refusing to withhold taxes.</li> <li>4. Bribery of voters and jurists with public welfare programs.</li> <li>5. Bribery of politicians and judges with illegal income tax revenues.</li> <li>6. False media propaganda by government.</li> <li>7. Lies or deceptions in IRS publications and by government servants.</li> <li>8. Punishing and persecuting those who expose the truth about income taxes.</li> <li>9. Turning banks and employers into "snitches" against their employees and customers.</li> <li>10. Operating outside of legal jurisdiction.</li> <li>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.</li> <li>12. Illegally interfering with people's property rights with liens and levies, in violation of the Fifth Amendment.</li> </ol>
<i>Slavery is</i>	<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>

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

- 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 13<sup>th</sup> 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 13<sup>th</sup> 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 13<sup>th</sup> 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 13<sup>th</sup> 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 13<sup>th</sup> 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 13<sup>th</sup>  
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 13<sup>th</sup> 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 16<sup>th</sup> Amendment repealed, replaced, modified, appended, amended or superseded the  
23 13<sup>th</sup> 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 13<sup>th</sup> Amendment  
25 in even the slightest way. The 16<sup>th</sup> 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 16<sup>th</sup> 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 16<sup>th</sup> cannot be forced upon the citizens. For to do so would  
32 be to contradict the 13<sup>th</sup> 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 13<sup>th</sup> 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 **6 Government interference with your employment agreement is a criminal** 19 **trespass**

20 Because labor is property, people use their right to contract as a means of protecting their right to it. The most frequent  
21 method for protecting their right over their own labor is employment agreements between them and third parties who want  
22 to procure their labor as the valuable commodity that it is. This section will prove that the government has no constitutional  
23 or lawful right to trespass upon a private contract between you and your private employer unless they are expressly made a  
24 party to said contract. It will also prove that the IRS Form W-4, while identified within the regulations as an "agreement",  
25 cannot lawfully confer any rights to the government, because the government didn't sign the form and the terms of the  
26 agreement were not fully disclosed on the form.

27 The United States Constitution protects your right to contract from intrusion by the state governments, by saying the  
28 following:

29 *U.S. Constitution*  
30 [Article I, Section 10](#)

31 *No State shall enter into any Treaty, Alliance, or Confederation; grant Letters of Marque and Reprisal; coin*  
32 *Money; emit Bills of Credit; make any Thing but gold and silver Coin a Tender in Payment of Debts; **pass any***  
33 *Bill of Attainder, ex post facto Law, or **Law impairing the Obligation of Contracts**, or grant any Title of Nobility.*

34 No provision within the U.S. Constitution imposes the same obligation upon the federal government in relations to contracts,  
35 but the U.S. Supreme Court has said that it applies equally to the federal government as well, when it said:

36 ***"Independent of these views, there are many considerations which lead to the conclusion that the power to***  
37 ***impair contracts [either the Constitution or the Holy Bible], by direct action to that end, does not exist with the***  
38 ***general [federal] government. In the first place, one of the objects of the Constitution, expressed in its***  
39 ***preamble, was the establishment of justice, and what that meant in its relations to contracts is not left, as was***  
40 ***justly said by the late Chief Justice, in Hepburn v. Griswold, to inference or conjecture.*** As he observes, at the  
41 *time the Constitution was undergoing discussion in the convention, the Congress of the Confederation was*  
42 *engaged in framing the ordinance for the government of the Northwestern Territory, in which certain articles of*  
43 *compact were established between the people of the original States and the people of the Territory, for the*  
44 *purpose, as expressed in the instrument, of extending the fundamental principles of civil and religious liberty,*  
45 *upon which the States, their laws and constitutions, were erected. **By that ordinance it was declared, that, in the***  
46 ***just preservation of rights and property, 'no law ought ever to be made, or have force in the said Territory, that***  
47 ***shall, in any manner, interfere with or affect private contracts or engagements bona fide and without fraud***  
48 ***previously formed.'*** The same provision, adds the Chief Justice, found more condensed expression in the

prohibition upon the States [in Article 1, Section 10 of the Constitution] against impairing the obligation of contracts, which has ever been recognized as an efficient safeguard against injustice; and though the prohibition is not applied in terms to the government of the United States, he expressed the opinion, speaking for himself and the majority of the court at the time, that it was clear 'that those who framed and those who adopted the Constitution intended that the spirit of this prohibition should pervade the entire body of legislation, and that the justice which the Constitution was ordained to establish was not thought by them to be compatible with legislation for judicial precedent of an opposite tendency.' 8 Wall. 623. [99 U.S. 700, 765] Similar views are found expressed in the opinions of other judges of this court." [Sinking Fund Cases, 99 U.S. 700 (1878)]

Consequently, neither the state nor federal governments may lawfully impair the obligations of any private contracts, and if they do, they become liable for an actionable tort and criminal trespass. If you sign an employment agreement with a private employer which governs the rules regulating the exchange of labor as property for money or other valuable goods or considerations:

1. No third party may lawfully assert any authority over that equal exchange.
2. No third party may lawfully modify the terms of that agreement after it was signed, without the mutual consent of both parties to the agreement.
3. No third party incurs or accumulates any rights over that exchange who was not made an explicit party to the agreement and manifested his consent to it by his signature.
4. So long as the exchange of labor for other property does not harm the parties to the agreement or any third party, the government maintains no lawful authority to regulate the transaction or to tax it in order to pay the costs of such regulation.
5. The government may not assert any kind of implied or implicit "equity interest" in the exchange, and if it does, it is involved in THEFT and trespass
6. The above requirements are just as applicable to verbal agreements as they are to written agreements.
7. The restrictions upon the government above are just as applicable to any third party as they are to the government. This is a requirement of equal protection of the law.

So where does the government acquire an equity interest in the compensation for your labor which is your exclusive property? 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 regulations identify as an "agreement". If in fact it is an agreement that is binding upon all the parties and the United States government, then it must be entered into voluntarily. This is the essence of the nature of the voluntary withholding agreement mentioned in the regulation below:

26 C.F.R. §31.3402(p)-1

Title 26

CHAPTER I

SUBCHAPTER C

PART 31

Subpart E

Sec. 31.3402(p)-1 Voluntary withholding agreements.

(a) In general.

An employee and his employer may enter into an agreement under section 3402(b) to provide for the withholding of income tax upon payments of amounts described in paragraph (b)(1) of Sec. 31.3401(a)-3, made after December 31, 1970. An agreement may be entered into under this section only with respect to amounts which are includible in the gross income of the employee under section 61, and must be applicable to all such amounts paid by the employer to the employee. The amount to be withheld pursuant to an agreement under section 3402(p) shall be determined under the rules contained in section 3402 and the regulations thereunder. (b) Form and duration of agreement. (1)(i) Except as provided in subdivision (ii) of this subparagraph, an employee who desires to enter into an agreement under section 3402(p) shall furnish his employer with Form W-4 (withholding exemption certificate) executed in accordance with the provisions of section 3402(f) and the regulations thereunder. The furnishing of such Form W-4 shall constitute a request for withholding.

Note that the above regulation:

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 that EVERYTHING that is made is "gross income" under 26 U.S.C. §61. The Secretary cannot MAKE law, he can only IMPLEMENT. Therefore, anything that is in the regulation that is not ALSO found in the statute it implements does not prescribe any lawful requirement.

1 “When enacting §7206(1) Congress undoubtedly knew that the Secretary of the Treasury is empowered to  
2 prescribe all needful rules and regulations for the enforcement of the internal revenue laws, so long as they carry  
3 into effect the will of Congress as expressed by the statutes. Such regulations have the force of law. **The**  
4 **Secretary, however, does not have the power to make law.**<sup>25</sup>”  
5 [United States v. Levy, 533 F.2d. 969 (1976)]

6  
7 Finally, the Government points to the fact that the Treasury Regulations relating to the statute purport to include  
8 the pick-up man among those subject to the s 3290 tax,<sup>FN1</sup> and argues (a) that this constitutes an administrative  
9 interpretation to which we should give weight in construing the statute, particularly because (b) section 3290 was  
10 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  
11 **argument persuasive. In light of the above discussion, \*359 we cannot but regard this Treasury Regulation as**  
12 **no more than an attempted addition to the statute of something which is not there.**<sup>FN2</sup> **As such the regulation**  
13 **can furnish no sustenance to the statute. Koshland v. Helvering, 298 U.S. 441, 446-447, 56 S.Ct. 767, 769-770,**  
14 **80 L.Ed. 1268.**  
15 [U.S. v. Calamaro, 354 U.S. 351, 77 S.Ct. 1138 (U.S. 1957)]

- 16 2. Identifies the W-4 as an “agreement” between the “employer” and the “employee”, and does NOT identify the  
17 government as a party to said agreement. Therefore, the government is not a party to the agreement and therefore incurs  
18 no contractual rights over any of the property of the parties to the agreement.  
19 3. The employer does not sign the agreement, and therefore incurs NO RIGHTS to it. He must sign it to incur any rights  
20 over the property of the “employee”.  
21 4. The IRS Form W-4 does not fully or completely disclose the terms of the agreement, and therefore the agreement fails  
22 to give “reasonable notice” to all the parties concerned all of the rights to property they are acquiring or surrendering by  
23 virtue of consenting to the contract or agreement. Since there was not full disclosure of the terms of the contract, then it  
24 confers no rights to anyone.

25 “Waivers of Constitutional rights not only must be voluntary, but must be knowing, intelligent acts done with  
26 sufficient awareness of the relevant circumstances and likely consequences.”  
27 [Brady v. U.S., 397 U.S. 742 (1970)]

28 “The question of a waiver of a federally guaranteed constitutional right is, of course, a federal question controlled  
29 by federal law. There is a presumption against the waiver of constitutional rights, see, e.g. Glasser v. United  
30 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  
31 established that there was “an intentional relinquishment or abandonment of a known right or privilege.”  
32 Johnson v. Zerbst, 304 U.S. 458, 464, 82 L.Ed. 1461, 1466, 58 S.Ct. 1019, 146 A.L.R. 357.”  
33 [Brookhart v. Janis, 384 U.S. 1; 86 S.Ct. 1245; 16 L.Ed.2d. 314 (1966)]

34 “Where rights secured by the Constitution there can be no rule making or legislation [or government forms]  
35 which would abrogate them.”  
36 [Miranda v. Arizona, 384 U.S. 436, 491 (1966)]

37 “Where administrative action may result in loss of both property and life, or of all that makes life worth living,  
38 any doubt as to the extent of power delegated to administrative officials is to be resolved in citizen's favor, and  
39 court must be especially sensitive to the citizen's rights where proceeding is non-judicial.”  
40 [United States v. Minker, 350 U.S. 179, 76 S.Ct. 281 (1956)]

- 41 5. Even if the government were a party and wished to sign such a contract, the only entity within the federal government  
42 who can consent to a contract and obligate the United States by law is the Legislative Branch of the government, and no  
43 one within the Executive Branch, employee or otherwise, has the authority to obligate the government to such a contract:

44 “There is an element of fiction in the presumption that every citizen is charged with a responsibility to know what  
45 the law is. But the array of government executives, judges, and legislators who have been accused, and convicted,  
46 of mail fraud under the well-settled construction of the statute that the Court renounces today are people who  
47 unquestionably knew that their conduct was unlawful. Cf. Nash v. United States, 229 U.S. 373, 377 (1913).”  
48 [Mcnelly v. United States, 483 U.S. 350 (1987)]

- 49 6. The fact that the terms of the contract might be documented in the regulation itself does not satisfy the constitutional  
50 requirement for “reasonable notice “ of the terms and conditions of the contract. To wit:

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<sup>25</sup> 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 "But the short answer to this contention is that since no official of the government could have rendered it liable  
2 for this work by an express contract, none can by his acts or omissions create a valid contract implied in fact.  
3 The limitation upon the authority to impose contract obligations upon the United States is as applicable to  
4 contracts by implication as it is to those expressly made."  
5 [Sutton v. U.S., [256 U.S. 575](#) (1921)]

- 6 7. The courts have said that you cannot believe anything that a member of the Executive Branch says, and that the only  
7 basis for reasonable belief is what the law actually says. Therefore, even if you were able to persuade a member of the  
8 Executive Branch to personally sign such an agreement, there would be no basis to believe that his signature  
9 communicated or conveyed the requisite consent, even if he claimed that it did.

10 "The Government may carry on its operations through conventional executive agencies or through corporate  
11 forms especially created for defined ends. See *Keifer & Keifer v. Reconstruction Finance Corp.*, [306 U.S. 381,](#)  
12 [390](#), 518. Whatever the form in which the Government functions, anyone entering into an arrangement with  
13 the Government takes the risk of having accurately ascertained that he who purports to act for the Government  
14 stays within the bounds of his authority. The scope of this authority may be explicitly defined by Congress or  
15 be limited by delegated legislation, properly exercised through the rule-making power. And this is so even  
16 though, as here, the agent himself may have been unaware of the limitations upon his authority. See, e.g., *Utah*  
17 *Power & Light Co. v. United States*, [243 U.S. 389, 409](#), 391; *United States v. Stewart*, [311 U.S. 60, 70](#), 108, and  
18 see, generally, *In re Floyd Acceptances*, 7 Wall. 666."  
19 [Federal Crop Ins. v. Merrill, 332 U.S. 380 (1947)]

20  
21 Justice Holmes wrote: "Men must turn square corners when they deal with the Government." *Rock Island, A. &*  
22 *L. R. Co. v. United States*, [254 U.S. 141, 143](#) (1920). This observation has its greatest force when a private party  
23 seeks to spend the Government's money. Protection of the public fisc requires that those who seek public funds  
24 act with scrupulous regard for the requirements of law; respondent could expect no less than to be held to the  
25 most demanding standards in its quest for public funds. This is consistent with the general rule that those who  
26 deal with the Government are expected to know the law and may not rely on the conduct of Government agents  
27 contrary to law. [17](#). [467 U.S. 51, 64]

28 [. . .]

29 The appropriateness of respondent's reliance is further undermined because the advice it received from Travelers  
30 was oral. It is not merely the possibility of fraud that undermines our confidence in the reliability of official action  
31 that is not confirmed or evidenced by a written instrument. Written advice, like a written judicial opinion, requires  
32 its author to reflect about the nature of the advice that is given to the citizen, and subjects that advice to the  
33 possibility of review, criticism, and reexamination. The necessity for ensuring that governmental agents stay  
34 within the lawful scope of their authority, and that those who seek public funds act with scrupulous exactitude,  
35 argues strongly for the conclusion that an estoppel cannot be erected on the basis of the oral advice that underlay  
36 respondent's cost reports. That is especially true when a complex program such as Medicare is involved, in which  
37 the need for written records is manifest.  
38 [Heckler v. Comm Health Svc, 467 U.S. 51 (1984)]

39  
40 In their answers some of the defendants assert that when the forest reservations were created an understanding  
41 and agreement was had between the defendants, or their predecessors, and some unmentioned officers or agents  
42 of the United States, to the effect that the reservations would not be an obstacle to the construction or operation  
43 of the works in question; that all rights essential thereto would be allowed and granted under the act of 1905;  
44 that, consistently with this understanding and agreement, and relying thereon, the defendants, or their  
45 predecessors, completed the works and proceeded with the generation and distribution of electric energy, and  
46 that, in consequence, the United States is estopped to question the right of the defendants to maintain and operate  
47 the works. Of this it is enough to say that the United States is neither bound nor estopped by acts of its officers  
48 or agents in entering into an arrangement or agreement to do or cause to be done what the law does not  
49 sanction or permit. *Lee v. Munroe*, 7 Cranch, 366, 3 L.Ed. 373; *Filor v. United States*, 9 Wall. 45, 49, 19 L.Ed.  
50 [549, 551](#); *Hart v. United States*, [95 U.S. 316](#), 24 L.Ed. 479; *Pine River Logging Co. v. United States*, [186 U.S.](#)  
51 [279, 291](#), 46 S.L.Ed. 1164, 1170, 22 Sup.Ct.Rep. 920.  
52 [Utah Power and Light v. U.S., 243 U.S. 389 (1917)]

53  
54 "It is contended that since the contract provided that the government 'inspectors will keep a record of the work  
55 done,' since their estimates were relied upon by the contractor, and since by reason of the inspector's mistake the  
56 contractor was led to do work in excess of the appropriation, the United States is liable as upon an implied  
57 contract for the fair value of the work performed. But the short answer to this contention is that since no official  
58 of the government could have rendered it liable for this work by an express contract, none can by his acts or  
59 omissions create a valid contract implied in fact. The limitation upon the authority to impose contract  
60 obligations upon the United States is as applicable to contracts by implication as it is to those expressly made."  
61 [Sutton v. U.S., 256 U.S. 575 (1921)]

Undoubtedly, the general rule is that the United States are neither bound nor estopped by the acts of their officers and agents in entering into an agreement or arrangement to do or cause to be done what the law does not sanction or permit. Also, those dealing with an agent of the United [294 U.S. 120, 124] States must be held to have had notice of the limitation of his authority. Utah Power & Light Co. v. United States, 243 U.S. 389, 409, 37 S.Ct. 387; Sutton v. United States, 256 U.S. 575, 579, 41 S.Ct. 563, 19 A.L.R. 403.

How far, if at all, these general rules are subject to modification where the United States enter into transactions commercial in nature (Cooke v. United States, 91 U.S. 389, 399; White v. United States, 270 U.S. 175, 180, 46 S.Ct. 274) we need not now inquire. The circumstances presented by this record do not show that the assured was deceived or misled to his detriment, or that he had adequate reason to suppose his contract would not be enforced or that the forfeiture provided for by the policy could be waived. New York Life Insurance Co. v. Eggleston, 96 U.S. 572; Phoenix Mut. Life Insurance Co. v. Doster, 106 U.S. 30, 1 S.Ct. 18. The grounds upon which estoppel or waiver are ordinarily predicated are not shown to exist. [Wilbur Natl Bank v. U.S., 294 U.S. 120 (1935)]

Absent the above IRS Form W-4 withholding agreement voluntarily submitted to an “employer” by the “employee” without any threat of termination or refusal to hire, there is no lawful basis to withhold. In support of this fact, consider that:

1. You cannot call the W-4 an “agreement” without voluntary consent.
2. Agreements entered into in the presence of threats, duress, or coercion of any kind are voidable at option of the party coerced:

“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.<sup>26</sup> 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,<sup>27</sup> and it is susceptible of ratification. Like other voidable contracts, it is valid until it is avoided by the person entitled to avoid it. <sup>28</sup> However, duress in the form of physical compulsion, in which a party is caused to appear to assent when he has no intention of doing so, is generally deemed to render the resulting purported contract void. <sup>29</sup>”  
[American Jurisprudence 2d, Duress, §21 (1999)]

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.

<sup>26</sup> Brown v. Pierce, 74 U.S. 205, 7 Wall 205, 19 L.Ed. 134

<sup>27</sup> 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.

<sup>28</sup> 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)

<sup>29</sup> 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.

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.<sup>30</sup> 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,<sup>31</sup> and it is susceptible of ratification. Like other voidable contracts, it is valid until it is avoided by the person entitled to avoid it. <sup>32</sup> However, duress in the form of physical compulsion, in which a party is caused to appear to assent when he has no intention of doing so, is generally deemed to render the resulting purported contract void. <sup>33</sup>”*  
[American Jurisprudence 2d, Duress, §21 (1999)]

## **7 How IRS Forms and Publications Hide or Disguise the excludability of labor**

### **7.1 IRS publications “conveniently” do not mention it.**

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>

The pertinent sections in that document are:

1. Section 5: Business Income
2. Section 6: How to Figure Cost of Goods Sold
3. Section 7: Figuring Cost of Goods Sold

<sup>30</sup> Brown v. Pierce, 74 U.S. 205, 7 Wall 205, 19 L.Ed. 134

<sup>31</sup> 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.

<sup>32</sup> 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)

<sup>33</sup> 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.

#### 4. Section 8: Business Expenses

Section 8 in IRS Publication 334 says the following on p. 30 the following:

##### **8. Business Expenses**

###### *Introduction*

*You can deduct the costs of running your business. These costs are known as business expenses. These are costs you do not have to capitalize or include in the cost of goods sold.*

*To be deductible, a business expense must be both ordinary and necessary. An ordinary expense is one that is common and accepted in your field of business. A necessary expense is one that is helpful and appropriate for your business. An expense does not have to be indispensable to be considered necessary.*

*For more information about the general rules for deducting business expenses, see chapter 1 in Publication 535, Business Expenses.  
[IRS Publication 334, Section 8, p. 30]*

In the above section, they go on to identify “Employee’s Pay” as a “business expense”:

##### **Employees’ Pay**

*You can generally deduct on Schedule C the pay you give your employees for the services they perform for your business. The pay may be in cash, property, or services.*

*To be deductible, your employees’ pay must be an ordinary and necessary expense and you must pay or incur it in the tax year. In addition the pay must meet both of the following tests.*

- *The pay must be reasonable.*
- *The pay must be for services performed.*

*Chapter 2 in Publication 535 explains and defines these requirements.*

*You cannot deduct your own salary or any personal withdrawals you make from your business. You are not an employee of the business.  
[IRS Publication 334, Chapt. 8, p. 33]*

The above publication allows business deductions for labor on IRS Schedule C, but if it is a personal deduction, it is deducted before “gross income” is entered on the 1040 form. See IRS Publication 17 entitled Federal Income Tax for Individuals, first page.

###### *Cost basis.*

*The basis of property you buy is usually its cost. The cost is the amount you pay in cash, debt obligations, other property, or services. Your cost also includes amounts you pay for the following items:*

- *Sales tax (less any applicable sales tax claimed on Schedule A (Form 1040))*
- *Freight*
- *Installation and testing.*
- *Excise taxes*
- *Legal and accounting fees (when they must be capitalized)*
- *Revenue stamps*
- *Recording fees, and*
- *Real estate taxes (if you assume liability for the seller)*

*In addition, the basis of real estate and business assets may include other items.  
[IRS Publication 17, Year 2005, p. 89]*

Note that the cost of labor is not mentioned above, even though cannot lawfully exclude it. This is a deception. Note also that Federal Reserve Notes (money) are debt obligations of the U.S. government.

The purpose for deducting employees' pay above, of course, is to ensure that "profit" is accurately calculated so as to consider all the expenses incurred in producing it. The questions in our mind after reading the above are the following:

1. What is the amount of the Fair Market Value (FMV) of your labor?

**ANSWER:** Whatever someone is willing to pay it. Take a look at your paycheck. The gross amount of your paycheck is the value of your labor.

2. Where on the IRS Form 1040 or the supporting schedules is this cost (FMV or value of your labor) to be entered and EXCLUDED from line 7, gross income?

**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 IRS Schedule C, but not form 1040.

IRS Publications 334 and 535 mentioned above "conveniently omit" discussion of answers to any of the above questions, because quite frankly, the government would destroy nearly all of its revenues derived from the unlawful enforcement of [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 admit that your labor is your property, exclusively your property, and that they have no right to it without your consent.

## **7.2 There is nothing on Schedule C that specifically mentions labor**

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>

## **7.3 There is no space to write it on the IRS Forms 1040 or 1040NR**

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 AIN'T THERE!:

<http://famguardian.org/TaxFreedom/Forms/IRS/IRSForm1040.pdf>

## **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*



1 *things are specified in a law, contract, or will, an intention to exclude all others from its operation may be*  
2 *inferred. Under this maxim, if statute specifies one exception to a general rule or assumes to specify the effects*  
3 *of a certain provision, other exceptions or effects are excluded."*  
4 *[Black's Law Dictionary, Sixth Edition, p. 581]*

5 *"It is axiomatic that the statutory definition of the term excludes unstated meanings of that term. Colautti v.*  
6 *Franklin, 439 U.S. 379, 392, and n. 10 (1979). Congress' use of the term "propaganda" in this statute, as indeed*  
7 *in other legislation, has no pejorative connotation. As judges, it is our duty to [481 U.S. 485] construe legislation*  
8 *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*  
9 *read it."*  
10 *[Meese v. Keene, 481 U.S. 465, 484 (1987)]*

11 *"As a rule, 'a definition which declares what a term "means" . . . excludes any meaning that is not stated'"*  
12 *[Colautti v. Franklin, 439 U.S. 379 (1979), n. 10]*

13 *"When a statute includes an explicit definition, we must follow that definition, even if it varies from that term's*  
14 *ordinary meaning. Meese v. Keene, 481 U.S. 465, 484-485 (1987) ("It is axiomatic that the statutory definition*  
15 *of the term excludes unstated meanings of that term"); Colautti v. Franklin, 439 U.S. at 392-393, n. 10 ("As a*  
16 *rule, 'a definition which declares what a term "means" . . . excludes any meaning that is not stated"); Western*  
17 *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*  
18 *(1935) (Cardozo, J.); see also 2A N. Singer, Sutherland on Statutes and Statutory Construction § 47.07, p. 152,*  
19 *and n. 10 (5th ed. 1992) (collecting cases). That is to say, the statute, read "as a whole," post at 998 [530 U.S.*  
20 *943] (THOMAS, J., dissenting), leads the reader to a definition. That definition does not include the Attorney*  
21 *General's restriction -- "the child up to the head." Its words, "substantial portion," indicate the contrary."*  
22 *[Stenberg v. Carhart, 530 U.S. 914 (2000)]*

23 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)  
<http://sedm.org/Forms/FormIndex.htm>

- 24  
25 4. The I.R.C. Subtitle A income tax is therefore an indirect excise tax upon an "activity", and not directly upon labor.  
26 5. There is an implicit assumption that any source of "gross income" mentioned in 26 U.S.C. §61 is associated with a "trade  
27 or business" and that a source that is not so associated does not qualify as "gross income".  
28 5.1. This includes the term "services".  
29 5.2. The only exceptions to this are found in 26 U.S.C. §871(a) in the case of a nonresident alien.  
30 6. I.R.C. Subtitle A therefore describes an indirect excise tax upon "profits" from "labor" connected with a "trade or  
31 business" and a "public office".  
32 7. Those who are not engaged in a "trade or business" and a "public office" and who receive compensation for their services  
33 in connection with their personal labor therefore cannot earn "gross income".  
34 8. The IRS Form W-2 should indicate "zero" for "wages, tips, and other compensation" in the case of persons who are not  
35 engaged in a "trade or business" or a "public office", regardless of the amount they earned in connection with their labor.

36 Knowing the above, and knowing that there was no definition of "compensation for services" anywhere in the Internal  
37 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  
38 use the word "services". The I.R.C. deliberately does not define the word "compensation for services" and the reason they  
39 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  
40 "gross income" pursuant to the I.R.C. We therefore had to search the regulations before we found the proper and necessary  
41 association between "compensation for services" and the activity actually being taxed, which is a "trade or business".

42 26 C.F.R. Sec. 1.469-9 Rules for certain rental real estate activities.

43 (b)(4) **PERSONAL SERVICES.**

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

47 We also found that labor not connected with a "trade or business" is expressly excluded from the definition of "gross income":  
48

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**..."

The above legal authorities confirm our earlier conclusions, and also confirm the reason why the only thing you can take deductions for within the I.R.C. are ALL connected with a "trade or business":

TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter B > PART VI > Sec. 162.  
Sec. 162. - Trade or business expenses

(a) In general

*There shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including -*

*(1) a reasonable allowance for salaries or other compensation for **personal services** actually rendered;*

Noteworthy in the above is that you don't need deductions if you are not engaged in a "trade or business" because you cannot earn "gross income". Even if you are in fact engaged in a "trade or business" and a "public office", you are allowed pursuant to the above to deduct the expenses associated with carrying on that "public office".

## **7.5 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".**

Earlier versions of the Treasury Regulations mentioned the requirements of what was called "fundamental law" upon the Internal Revenue Code. Many of these early statutes were described by Larken Rose in his analysis of the now defunct 861 Position. His analysis of the 861 Position is discussed in the Great IRS Hoax, Form #11.302, Sections 5.7.6 through 5.7.6.11.10. Below are a few:

*Regulations for 1939 Internal Revenue Code  
Section 29.21-1*

*"Sec. 29.21-1. Meaning of net income. The tax imposed by chapter 1 is upon income. Neither income exempted by statute or **fundamental law**... enter into the computation of net income as defined by section 21."*

The early founding fathers, however, recognized the implication of "fundamental law" upon statutory law when they said in the Federalist Papers the following:

*"No legislative act [including a statutory presumption] contrary to the Constitution can be valid. To deny this would be to affirm that the deputy (agent) is greater than his principal; that the servant is above the master; that the representatives of the people are superior to the people; that men, acting by virtue of powers may do not only what their powers do not authorize, but what they forbid...[text omitted]. It is not otherwise to be supposed, that the Constitution could intend to enable the representatives of the people to substitute their WILL to that of their constituents. It is far more rational to suppose, that the courts were designed to be an intermediate body between the people and the legislature, in order, among other things, to keep the latter within the limits assigned to their authority. The interpretation of the laws is the proper and peculiar province of the courts. **A constitution is, in fact, and must be regarded by the judges, as a fundamental law.** It therefore belongs to them to ascertain its meaning, as well as the meaning of any particular act proceeding from the legislative body. If there should happen to be an irreconcilable variance between the two, that which has the superior obligation and validity ought, of course, to be preferred; or, in other words, the Constitution ought to be preferred to the statute, the intention of the people to the intention of their agents."*  
*[Alexander Hamilton, Federalist Paper # 78]*

Current versions of the Treasury Regulations "conveniently" no longer give "reasonable notice" to the public of the limitations imposed by "fundamental law", meaning the Constitution, upon the Internal Revenue Code and their conduct as "public servants". Instead, they simply refer to these limitations as "law", so that people will not know what they are trying to imply:

26 C.F.R. §1.61-1

1                   “Sec. 1.61-1 Gross income. (a) General definition. Gross income means all income from whatever source  
2                   derived, unless excluded by law.”  
3                   [26 C.F.R. §1.61-1]

4       What they are trying to do by removing discussions of “fundamental law” from the Internal Revenue Code and Treasury  
5       Regulations is:

- 6       1. Prevent you from looking in the Constitution for any kind of deduction or exemption, and thereby ignore or worst yet  
7       undermine the enforcement of the Constitution by the government.
- 8       2. Remove mention of Constitutional exemptions from the Internal Revenue Code and Treasury Regulations.
- 9       3. Force you to look ONLY in the Internal Revenue Code for a specific deduction or exemption. When you look there and  
10      don’t find deductions for the value of your labor, to conclude that there is none. Nontaxpayers aren’t mentioned in the  
11      I.R.C., and so they could not and would not find exemptions relating to them in the I.R.C.
- 12      4. Capitalize on the ignorance of most Americans about the Constitution. Most public schools no longer teach the  
13      Constitution. Only those who enter the law profession now even learn about it.
- 14      5. Ignore the implications of the Thirteenth Amendment, which says that involuntary servitude is prohibited. If it is  
15      prohibited directly, then it is also prohibited directly by, for instance, imposing an involuntary tax upon labor directly.  
16      This very fact is the main reason why the income tax described by Subtitle A of the Internal Revenue Code can never be  
17      anything but an indirect excise tax upon voluntary, avoidable privileged activities, such as a “trade or business”: Because  
18      if it was upon labor rather than the activity, then it could not be shifted, would be unavoidable, and therefore constitute  
19      slavery in violation of the Thirteenth Amendment.

20      By removing reasonable notice from the statutes about the limitations imposed by “fundamental law”, IRS and the courts  
21      who aid and abet their illegal enforcement activities are engaging in the following criminal activities:

- 22      1. Slavery in violation of the Thirteenth Amendment.
- 23      2. Enticement into slavery in violation of 42 U.S.C. §1994.
- 24      3. Slavery in violation of 18 U.S.C. §1589.

25      If you would like to learn why, in fact, taxes on labor as property and not upon avoidable, excise taxable activities amount to  
26      slavery, we refer you to section 5.5 earlier.

## 27      **7.6 The nature of the Internal Revenue Code as an excise tax upon “profit” and not “gross** 28      **receipts” is carefully hidden from the public within IRS publications.**

29      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>

30      The pertinent section in that document is Section 5 entitled “Business Income”. This section twice tries to create the false  
31      impression that ALL EARNINGS of the business are “income”, when it says:

### 32                   5. Business Income

#### 33                   Introduction

34                   *If there is any connection between any income you receive and your business, the income is business income. A*  
35                   *connection exists if it is clear that the payment of income would not have been made if you did not have the*  
36                   *business.*  
37                   *[IRS Publication 334, Chapt 5, p. 21]*  
38

#### 39                   Kinds of Income

40                   *“You must report on your tax return all income you receive from your business unless it is excluded by law. In*  
41                   *most cases, your business income will be in the form of cash, checks, and credit card charges. But business*  
42                   *income can be in other forms, such as property or services.”*  
43                   *[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. Frohmiller, 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:

“A charitable trust has been broadly defined as one for the benefit of an indefinite class of persons constituting some portion or class of the public<sup>34</sup> or as one limiting property to some public use.<sup>35</sup> A charitable trust has similarly been defined as a gift in trust for the benefit of the public<sup>36</sup> or for the establishment or support of an institution dedicated to the welfare of the public or to a class or part thereof.<sup>37</sup> Another statement is that a trust is charitable if it is made for a charitable purpose and the ultimate recipients constitute either the community as a whole or an indefinite portion thereof.<sup>38</sup> Actually, the purpose for which property or funds is given and dedicated by the donor is the touchstone,<sup>39</sup> and no wholly satisfactory definition of a charitable trust exists or can be drawn without including the elements of benefit to more than a very few people<sup>40</sup> in some recognized field of charity. In the light of all the decisions, a simple and acceptable, though not entirely complete, definition of a charitable trust is a gift in some manner dedicated to the ultimate benefit or betterment of the public, or some significant portion thereof, not necessarily involving illegal activities or a use contrary to public policy, for promotion of something within a recognized field of general welfare.<sup>41</sup>”  
[American Jurisprudence 2d, Charities, §6, Definition of Charitable Trust (1999)]

4.6. The compensation of the trustee is whatever is left over after deductions are taken.

4.7. The “grantor” of the trust is the original authors of the Internal Revenue Code, which was first enacted in 1939.

4.8. The Internal Revenue Code doesn’t need to be positive law because it activates upon your consent. Anything you consent to is “law” in your case. All franchises, including the “trade or business” franchise, are “contracts”:

As a rule, franchises spring from contracts between the sovereign power and private citizens, made upon valuable considerations, for purposes of individual advantage as well as public benefit,<sup>42</sup> and thus a franchise partakes of a double nature and character. So far as it affects or concerns the public, it is publici juris and is subject to governmental control. The legislature may prescribe the manner of granting it, to whom it may be granted, the conditions and terms upon which it may be held, and the duty of the grantee to the public in exercising it, and may also provide for its forfeiture upon the failure of the grantee to perform that duty. But when granted, it becomes the property of the grantee, and is a private right, subject only to the governmental control growing out of its other nature as publici juris.<sup>43</sup>  
[American Jurisprudence 2d, Franchises, §4: Generally (1999)]

<sup>34</sup> Hoeffer v. Cloghan, 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.

<sup>35</sup> 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.

<sup>36</sup> 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.

<sup>37</sup> 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.

<sup>38</sup> 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.

<sup>39</sup> §§ 33 et seq., §§ §§ 118 et seq., infra.

<sup>40</sup> § 73, infra.

<sup>41</sup> 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.

<sup>42</sup> 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.

<sup>43</sup> 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                   *Consensus facit legem.*  
2                   *Consent makes the law. A contract is a law between the parties, which can acquire force only by consent.*  
3                   *[Bouvier's Maxims of Law, 1856;*  
4                   *SOURCE: <http://famguardian.org/Publications/BouvierMaximsOfLaw/BouviereMaxims.htm>]*

- 5     5. The income tax can be described as “voluntary” only for those who are not “taxpayers” as statutorily defined at 26 U.S.C.  
6     §7701(a)(14). Once you volunteer to attach your private property to the “trade or business” franchise using the de-facto  
7     license number, which is the “Taxpayer Identification Number” or “Social Security Number”, payment of the tax upon  
8     the proceeds, at least the courts will tell you, is no longer “voluntary”, but enforced.

9     We must remember that if the government acknowledged the above truths and pattern of deception:

- 10    1. The government would have a LOT of explaining to do.  
11    2. The government would have to explain who the REAL “taxpayer” is and HOW you volunteered to become one. Most  
12    people would then realize that they aren’t the proper subject, submit the corrected withholding paperwork, and stop  
13    withholding and reporting. See:

*Federal and State Withholding Options for Private Employers*, Form #09.001  
<http://sedm.org/Forms/FormIndex.htm>

- 14    3. Americans would start asking rather pointed questions about how they can lawfully occupy a public office, since:  
15    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.  
16    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.  
17    The only remaining internal revenue district is the District of Columbia pursuant to Treasury Order 150-02. After  
18    we pointed this out, the Dept. of the Treasury removed this order from their website to cover up the truth!  
19    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  
20    (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.  
21    3.4. There is no statute that includes states of the Union within any part of the Internal Revenue Code, and that which  
22    is not expressly identified is presumed to be purposefully excluded according to the rules of statutory construction,  
23    regardless of whether the word “includes” appears in a definition or not:

24                   *“Expressio unius est exclusio alterius. A maxim of statutory interpretation meaning that **the expression of one***  
25                   ***thing is the exclusion of another.** Burgin v. Forbes, 293 Ky. 456, 169 S.W.2d 321, 325; Newblock v. Bowles,*  
26                   *170 Okl. 487, 40 P.2d. 1097, 1100. Mention of one thing implies exclusion of another. **When certain persons or***  
27                   ***things are specified in a law, contract, or will, an intention to exclude all others from its operation may be***  
28                   ***inferred.** Under this maxim, if statute specifies one exception to a general rule or assumes to specify the effects*  
29                   *of a certain provision, other exceptions or effects are excluded.”*  
30                   *[Black’s Law Dictionary, Sixth Edition, p. 581]*

31                   *“When a statute includes an explicit definition, we must follow that definition, even if it varies from that term’s*  
32                   ***ordinary meaning.** Meese v. Keene, 481 U.S. 465, 484-485 (1987) (“It is axiomatic that the statutory definition*  
33                   *of the term excludes unstated meanings of that term”); Colautti v. Franklin, 439 U.S. at 392-393, n. 10 (“As a*  
34                   *rule, ‘a definition which declares what a term “means” . . . excludes any meaning that is not stated”); Western*  
35                   *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*  
36                   *(1935) (Cardozo, J.); see also 2A N. Singer, Sutherland on Statutes and Statutory Construction § 47.07, p. 152,*  
37                   *and n. 10 (5th ed. 1992) (collecting cases). That is to say, the statute, read “as a whole,” post at 998 [530 U.S.*  
38                   *943] (THOMAS, J., dissenting), leads the reader to a definition. That definition does not include the Attorney*  
39                   *General’s restriction -- “the child up to the head.” Its words, “substantial portion,” indicate the contrary.”*  
40                   *[Stenberg v. Carhart, 530 U.S. 914 (2000)]*

- 41    4. People would start filing criminal complaints against those who file information returns against them pursuant to 18  
42    U.S.C. §912. Those who file information returns against those not actually engaged in a “trade or business” and a “public  
43    office” as required by 26 U.S.C. §6041(a) are guilty of impersonating a public officer within the government in criminal  
44    violation of 18 U.S.C. §912. See:

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

- 45    5. Once the government started prosecuting a few of the filers of these false information returns:  
46    5.1. The flow of plunder would stop nationally.  
47    5.2. There would be no need to exclude labor from gross income because most people would no longer earn “gross  
48    income”.  
49    5.3. Government revenues would significantly decrease because nearly all of them are a product of criminal activity  
50    and money laundering on the part of private employers, withholding agents, and banks who have no lawful way  
51    they can function as a public office and therefore effectively are acting as money launderers for the government.

5.4. Many in the tax profession, such as tax return preparers and tax lawyers would have to find other, more productive work.

5.5. Payroll withholding would be grossly simplified, leading to layoffs in the payroll industry, because there would be far less withholding.

6. The government would lose the ability to regulate the supply of fiat currency. The main purpose of the income tax, in fact, is to retire excess fiat currency from circulation that was created by the Federal Reserve counterfeiting franchise. This would FORCE them to go back to the REAL money mandated by our Constitution and force the President to withdraw the state of national emergency that keeps us running on a fraudulent fiat currency system. See:

[The Money Scam](http://sedm.org/Forms/FormIndex.htm), Form #05.041

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

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 **Error! Reference source not found.** 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 <a href="http://sedm.org/Forms/FormIndex.htm">http://sedm.org/Forms/FormIndex.htm</a>
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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”:

*“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: 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; second, that if he devotes it to a public use [a “public office” or a “trade or business”, in this case] he gives to the public a right to control that use [through the mechanism of the Internal Revenue Code]; and third, that whenever the public needs require, the public may take it upon payment of due compensation. [Budd v. People of State of New York, 143 U.S. 517 (1892)]*

A person who is not engaged in a “trade or business” and who does not voluntarily submit IRS Form W-4 cannot lawfully have an IRS Form W-2 filed against them and cannot earn reportable “wages”. Hence, there was a valid presumption in the regulations binding each of the mistaken litigants that everything they earned in the context of the W-4 agreement in place was both “gross income” and “wages” connected with the “trade or business” excise taxable franchise.

[§31.3402\(p\)-1 Voluntary withholding agreements.](#)

(a) In general.

*An employee and his employer may enter into an agreement under section 3402(b) to provide for the withholding of income tax upon payments of amounts described in paragraph (b)(1) of §31.3401(a)-3, made after December 31, 1970. An agreement may be entered into under this section only with respect to amounts which are includible in the gross income of the employee under section 61, and must be applicable to all such amounts paid by the employer to the employee. The amount to be withheld pursuant to an agreement under section 3402(p) shall be determined under the rules contained in section 3402 and the regulations thereunder. See §31.3405(c)-1, Q&A-3 concerning agreements to have more than 20-percent Federal income tax withheld from eligible rollover distributions within the meaning of section 402.*

[26 C.F.R. §31.3401\(a\)-3 Amounts deemed wages under voluntary withholding agreements](#)

(a) In general.

*Notwithstanding the exceptions to the definition of wages specified in section 3401(a) and the regulations thereunder, the term “wages” includes the amounts described in paragraph (b)(1) of this section with respect to which there is a voluntary withholding agreement in effect under section 3402(p). References in this chapter to the definition of wages contained in section 3401(a) shall be deemed to refer also to this section (§31.3401(a)-3).*

(b) Remuneration for services.

*(1) Except as provided in subparagraph (2) of this paragraph, the amounts referred to in paragraph (a) of this section include any remuneration for services performed by an employee for an employer which, without regard to this section, does not constitute wages under section 3401(a). For example, remuneration for services performed by an agricultural worker or a domestic worker in a private home (amounts which are specifically excluded from the definition of wages by section 3401(a) (2) and (3), respectively) are amounts with respect to which a voluntary withholding agreement may be entered into under section 3402(p). See §§31.3401(c)-1 and 31.3401(d)-1 for the definitions of “employee” and “employer”.*

7. None of the litigants correctly challenged the original IRS Form W-2’s:

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 in error because they were not engaged in a "trade or business", which is the real excise taxable activity that is the subject of I.R.C. Subtitle A. See:

[Correcting Erroneous IRS Form W-2's, Form #04.006](#)  
<http://sedm.org/Forms/04-Tax/FormW2/CorrectingIRSFormW2.htm>

7.2. Many of them included the original IRS Form W-2's, which is a mistake because they were false. You never give your opponent ammunition to discredit you. They should have submitted corrected AMENDED information returns that are NOT W-2's ONLY and not included the original forms. This would remove them from a connection with federal agency or employment.

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.

8. The IRS lawfully penalized all the participants for submitting "frivolous returns" because they never rebutted the fact 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. Subtitle A is an excise tax upon this activity and they never rebutted the presumption established by the W-2 that they were engaged in this activity. As such, they remained the proper "person" who is subject of penalties as defined in 26 U.S.C. §6671(b), since they were an officer of the United States federal corporation. A "public officer" within the United States fits the following description of "person":

[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** [the United States government, in this case, which 28 U.S.C. §3002(15)(A) defines as a federal 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.*

If you would like a way to present the issue described in this pamphlet that has not been controverted in court that we are aware and which will avoid the failures described in the following subsections, refer to section 13 later.

## 9.1 Hyslep v. U.S., 765 F.2d. 1083 (1985)

*Appellant/taxpayer Hyslep filed a 1982 tax return form (Form 1040) on which he stated he received \$44,232.64 in wages. He deducted, as an adjustment to income, the full amount of wages received, claiming that he was a "source-exchanger" and that therefore his wages were "non-taxable." Accordingly, he sought a refund of all income taxes withheld from wages.*

*Hyslep was assessed a \$500 civil penalty under I.R.C. (26 U.S.C.) [§ 6702 ENL](#) for filing a frivolous return. He then filed this suit under [I.R.C. §6703\(c\)](#) for a refund of the penalty assessed. The district court granted summary judgment in favor of the government. We affirm.*

*On appeal, Hyslep asserts arguments long held to be frivolous. See, e.g., [Davis v. United States, 742 F.2d. 171, 172 \(5th Cir.1984\)](#); [Lonsdale v. Commissioner, 661 F.2d. 71, 72 \(5th Cir.1981\)](#). He argues that the Secretary of Treasury did not sustain his burden of proving a private individual is liable for tax; that the government does not have subject matter jurisdiction to tax him on all receipts; that he is not an individual subject to tax; that he did not derive any taxable profits (because wages received in compensation for labor are not taxable income); that he did not file a return; and that he was entitled to a jury trial.*

*The Constitution grants Congress the power to tax "incomes, from whatever source derived, without apportionment among the several states." [U.S. Const. amend. XVI](#). "Exercising this power, Congress has defined income as including compensation for services. [26 U.S.C. §61\(a\)\(1\)](#)." [Lonsdale, 661 F.2d. at 72](#). There is no provision in the Internal Revenue Code permitting an individual wage earner to adjust his gross income by deducting a charge for the "value of labor." Thus, the argument that individual wage earners are not subject to income tax is completely frivolous and without merit. See, e.g., [Simanok v. Commissioner, 731 F.2d. 743, 744 \(11th Cir.1984\)](#); [Lonsdale, 661 F.2d. at 72](#).*

*Taxpayer's 1982 return plainly falls within the scope of [section 6702](#), justifying the \$500 penalty. The completed and signed Form 1040, filed in order to obtain a refund of taxes withheld from wages, is a "purported return" for [section 6702](#) purposes. See [Madison v. United States, 752 F.2d. 607, 609 \(11th Cir.1985\)](#). The return contains information on its face indicating that the self-assessment was substantially incorrect and that taxpayer's conduct was based on a position which is frivolous. *Id.*; [Davis v. United States, 742 F.2d. 171 \(5th Cir.1984\)](#); [Holker v.](#)*



[United States, 737 F.2d. 751 \(8th Cir.1984\)](#). Therefore, the district court properly granted summary judgment in favor of the government.  
[Hyslep v. U.S., 765 F.2d. 1083 (1985)]

## 9.2 Davis v. U.S., 742 F.2d. 171 (1984)

In April 1983, taxpayers Melvin and Maria Davis filed a Form 1040 (individual income tax return) for their 1982 taxable year. Taxpayers claimed four exemptions and itemized deductions of \$6,946. They reported no income, however, from “wages, salaries, [or] tips,” nor any other “gross income,” even though the four Forms W-2 from their employers in 1982 that were attached to the return indicated they had received in excess of \$60,000 in wages or other compensation for that year.

Instead, taxpayers claimed a business loss of \$3,551. They calculated this loss by reducing the amount of gross 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. <sup>FNI</sup>

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 ("IRS") 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 substantial correctness of the self-assessment or contains information that indicates on its face that the self-assessment is substantially incorrect. Olson contends that he did not file "what purports to be a [tax] return" and that his filing was not frivolous. These arguments are without merit.

Although Olson wrote the words "not a return" on the Form 1040 he filed, he acknowledges that he filed the form to obtain a refund of the taxes withheld from his wages in 1982. Because a taxpayer may not obtain a refund 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 "purported" return. [Davis v. United States, 742 F.2d. 171, 173 \(5th Cir.1984\)](#); [Holker v. United States, 737 F.2d. 751, 752 \(8th Cir.1984\)](#).

The form also contained information that on its face showed that Olson's self-assessment was substantially incorrect. Olson listed his wages, salaries, and tips as zero, yet his W-2 form indicated that he had received in excess of \$50,000 in wages. He made no attempt to explain this discrepancy beyond writing the word "incorrect" on the W-2 form. Thus, the IRS also could not judge the substantial correctness of the return.

Further, Olson's attempts to escape tax by deducting his wages as "cost of labor" and by claiming that he had obtained no privilege from a governmental agency illustrate the frivolous nature of his position. This court has repeatedly rejected the argument that wages are not income as frivolous, see, e.g., [Gattuso v. Pecorella, 733 F.2d. 709, 710 \(9th Cir.1984\)](#); [United States v. Romero, 640 F.2d. 1014, 1016 \(9th Cir.1981\)](#), and has also rejected the idea that a person is liable for tax only if he benefits from a governmental privilege. See [United States v. Buras, 633 F.2d. 1356, 1361 \(9th Cir.1980\)](#). Therefore, the district court properly found that Olson was liable under [section 6702](#) for filing a frivolous tax return. See [Davis v. United States, 742 F.2d. 171 \(5th Cir.1984\)](#); [Holker v. United States, 737 F.2d. 751 \(8th Cir.1984\)](#).

The remaining issues are easily resolved and likewise meritless. The IRS clearly had jurisdiction to assess the penalty against Olson, see U.S. Const. art. I, § 8; [26 U.S.C. §6201](#). The district court properly denied Olson a jury trial because there were no material facts in dispute but only issues of law. See Ex parte [Peterson, 253 U.S. 300, 310, 40 S.Ct. 543, 546, 64 L.Ed. 919 \(1920\)](#); [Davis v. United States, 742 F.2d. at 173](#); [Holker v. United States, 737 F.2d. at 752](#).

The judgment of the district court is therefore affirmed. Because Olson has raised totally meritless arguments, we characterize this appeal as frivolous. It is within our discretion to impose double costs and attorney fees for such frivolous appeals. [Fed.R.App.P. 38](#); [Hatch v. Reliance Insurance Co., 758 F.2d. 409, 416 \(9th Cir.1985\)](#); [Davis v. United States, 742 F.2d. at 173](#). We therefore impose attorney fees in the sum of \$1,000 and double costs on Olson.  
[Olson v. U.S., 760 F.2d. 1003 (1985)]

## **9.4 26 U.S.C. §83 and 26 C.F.R. §1.83-1 permit deducting the cost of labor as PROPERTY from the earnings received from my labor<sup>44</sup>**

### **FALSE CLAIM:**

26 U.S.C. §83 and 26 C.F.R. §1.83-1 permit me to deduct the cost of my labor as PROPERTY from the earnings received from my labor. Thus, my net "gross income" for labor would be zero so I owe no tax on my labor. On this subject, 26 U.S.C. §83 says:

[26 U.S. Code § 83 – Property transferred in connection with performance of services](#)

<sup>44</sup> Source: [FRIVOLOUS SUBJECT: 26 U.S.C. 83 and 26 C.F.R. 1.83-1 Allows you to deduct the cost of your labor from gross income](#), FTSIG; <https://ftsig.org/frivolous-subject-i-r-c-83-and-26-cfr-1-83-1-allows-you-to-deduct-the-cost-of-your-labor-from-gross-income/>

1 (a)General rule

2 If, in connection with the performance of services, property is transferred to any person other than the person  
3 for whom such services are performed, the excess of—

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

7 (2) the amount (if any) paid for such property,

8 shall be included in the gross income of the person who performed such services in the first taxable year in which  
9 the rights of the person having the beneficial interest in such property are transferable or are not subject to a  
10 substantial risk of forfeiture, whichever is applicable. The preceding sentence shall not apply if such person sells  
11 or otherwise disposes of such property in an arm's length transaction before his rights in such property become  
12 transferable or not subject to a substantial risk of forfeiture.

13 The regulation at 26 C.F.R. §1.83-1 says:

14 26 C.F.R. § 1.83-1 – Property transferred in connection with the performance of services.

15 § 1.83-1 Property transferred in connection with the performance of services.

16 (a) Inclusion in gross income—

17 (1) General rule.

18 Section 83 provides rules for the taxation of property transferred to an employee or independent contractor (or  
19 beneficiary thereof) in connection with the performance of services by such employee or independent contractor.  
20 In general, such property is not taxable under section 83(a) until it has been transferred (as defined in § 1.83-  
21 3(a)) to such person and become substantially vested (as defined in § 1.83-3(b)) in such person. In that case, the  
22 excess of—

23 (i) The fair market value of such property (determined without regard to any lapse restriction, as defined in §  
24 1.83-3(i)) at the time that the property becomes substantially vested, over

25 (ii) The amount (if any) paid for such property.

26 shall be included as compensation in the gross income of such employee or independent contractor for the taxable  
27 year in which the property becomes substantially vested. Until such property becomes substantially vested, the  
28 transferor shall be regarded as the owner of such property, and any income from such property received by the  
29 employee or independent contractor (or beneficiary thereof) or the right to the use of such property by the  
30 employee or independent contractor constitutes additional compensation and shall be included in the gross  
31 income of such employee or independent contractor for the taxable year in which such income is received or such  
32 use is made available. This paragraph applies to a transfer of property in connection with the performance of  
33 services even though the transferor is not the person for whom such services are performed.

34 **REBUTTAL:**

35 This provision seems to relate to property transferred by the PAYOR and not the one performing the services. Thus, it would  
36 not relate to you who performed the labor or services.

37 It is thus strange for a LABORER who performs the labor to say that “IRC Section 83 APPLIES” in order to AVOID a tax  
38 liability on remuneration for services. IRC Section 83 is NOT a limiting provision. It is a provision that expressly includes in  
39 gross income the excess value of property (over its fair market value) when transferred in connection with performance of  
40 services by a taxpayer who is a PAYOR.

41 If anything, A LABORER trying to avoid tax would need to argue Section 83 does NOT apply. This is because:

- 42 1. IRS typically uses this provision in assessing an additional income tax liability after auditing the PAYOR company.
- 43 2. The PAYOR company uses this provision in calculating deductions of the net proceeds paid to its workers for cost of  
44 services.

We have never seen a case where IRS or a court asserted that someone's "wages" or other remuneration for labor constitute gross income under IRC Section 83. Such remuneration is typically asserted IN TOTAL to be "gross income" under IRC Sec. 61. Any other approach would be out of the norm.

Perhaps there are exceptions we don't know about. But it seems to us that in the case of those working for "wages" it would only be appropriate to argue that section 83 does NOT apply. Even then it would apply only where it has been asserted by IRS or a court that section 83 DOES apply in a way that INCREASES their "gross income".

IRC Section 83 would apply to excess of what is paid or property transferred by the PAYOR for the SERVICES over their fair market value of those SERVICES.

What we're seeing is shoehorn attempts to argue that "labor is property according to the U.S. Supreme Court, I.R.C. Section 83 applies to property therefore it applies to my labor, since the FMV of my labor is what my employer pays me, there is no gain.

I.R.C. Section 83 if anything applies to tangible or intangible property such as restricted stock units, stock options, etc given as compensation. FMV rules would apply in this case where the strike price and some future price clash.

We don't see how this "property" could ever reasonably be construed to include labor as property, because the only property referenced is that of the PAYOR, not the LABORER.

Also if one's labor is the "transferred property" then the party for whom the labor is performed would be the recipient of the transferred property. But IRC section 83 specifically excludes the one for whom the services are performed from its provisions.

### A Better Approach

The greater issue is that the Sixteenth Amendment limits income to profit, which means the cost of producing the labor is deductible. Most elections remove this restriction and make the ENTIRE AMOUNT or "GROSS RECEIPT" taxable. Such elections would certainly include:

1. A "U.S. person" election to convert the status of the LABORER from PRIVATE to PUBLIC.
2. An "effectively connected" election to convert the status of the EARNINGS from PRIVATE to PUBLIC.

Either one of the above elections allows what would otherwise be a direct unapportioned tax on "gross receipts", which the U.S. Supreme Court said violates the Sixteenth Amendment:

*"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 not 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)]

Thus, elections PERMIT and FACILITATE what would otherwise be a direct tax in Sixteenth Amendment parlance. U.S.C. §83(b) is an example of this in action:

[26 U.S. Code § 83 – Property transferred in connection with performance of services](#)

**(b) Election to include in gross income in year of transfer**

**(1) In general**

Any person who performs services in connection with which property is transferred to any person may elect to include in his gross income for the taxable year in which such property is transferred, the excess of—

(A) the fair market value of such property at the time of transfer (determined without regard to any restriction other than a restriction which by its terms will never lapse), over

(B) the amount (if any) paid for such property.

If such election is made, subsection (a) shall not apply with respect to the transfer of such property, and if such property is subsequently forfeited, no deduction shall be allowed in respect of such forfeiture.

ALL earnings from labor entered on the 1040-NR tax return would go in the “effectively connected” section, which means the labor is DONATED to a public use. There is not even a place on the Schedule NEC to enter labor or services that are NOT “effectively connected” so this is a clue. The only party who can “effectively connect” the income is the laborer. After the labor is donated by entering it in the “effectively connected” section of the tax return, it’s pointless to then argue that it is then YOUR PRIVATE labor or PRIVATE property. It’s public property at that point earned by a fictitious office called “nonresident alien” that Uncle Sam created and owns. You are completely out of the picture and already lost the war by “effectively connecting” the earnings.

It’s therefore better to simply NOT “effectively connect” the labor by not entering it on the tax return and attaching a statement stating so, such as Form 8275.

It’s also better to simply claim that a nonresident alien doesn’t earn:

1. Wages under:
  - 1.1. [26 U.S.C. §3401\(a\)\(6\)](#)
  - 1.2. [26 C.F.R. §31.3401\(a\)\(6\)-1\(b\)](#) in the case of income tax and
  - 1.3. [26 C.F.R. §31.3121\(b\)-3\(c\)\(1\)](#) in the case of Social Security
2. Self-Employment Income under [26 U.S.C. §1401](#) and [26 U.S.C. §1402\(b\)](#).

The SEDM 1040-NR attachment takes this position:

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

## 10 Conclusions

In law, the labor of a human being is property because all rights are property. The exchange of labor as property for another type of property, being money, is an *equal* exchange which renders no “profit” and therefore no “income”. If this is true for businesses and if the Declaration of Independence makes all men or “persons” equal, then it must also be true for human beings. To suggest otherwise is to establish a title of nobility in violation of Article 1, Section 9, Clause 8 of the United States Constitution, whereby all “persons” are not equal or where businesses are more equal than human beings.

State and federal tax authorities are operating under conflicting and hypocritical rules which in effect create a title of nobility for businesses that human beings or individuals do not enjoy:

1. Businesses: Can deduct the cost of labor from gross revenues when computing profit and therefore “gross income”.
2. Individuals: Cannot exclude the value of labor from gross income:
  - 2.1. When computing “gross income” pursuant to [26 U.S.C. §61](#), the government insists that “all property” received is subject to the tax, including labor of a human being.
  - 2.2. On the other hand, when computing profit, they insist that the labor has no value or cost, that labor is NOT therefore “property”, and therefore that the entire amount received as compensation for the labor is “gross income”. Hence, the entire amount indicated on the W-2 constitutes “profit” and is entered directly on the 1040 form as profit.

The government can’t have it both ways. If labor is property in the context of computing profit and gross income for businesses, then it must also be property for human beings in computing “profit” on a 1040 return. The government would explain away this contradiction by saying that the standard deduction one takes for oneself accounts for the cost of producing the labor, but we disagree. The amount EXCLUDED from gross receipts in computing gross income must be the VALUE 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 it.



To assign a value of zero to the labor one contributes essentially means or implies one or more of the following:

1. Labor is not property and therefore has no value.. .OR
2. The labor of the human being was donated to a public use or a public office FOR FREE before it was rendered and therefore constitutes profit in its entirety.

The above seeming contradiction is no accident, but simply evidence of a violation of equal protection, injustice, and hypocrisy that results from the love for YOUR money by greedy public servants.

*"For the love of money is a root of all kinds of evil, for which some have strayed from the faith in their greediness, and pierced themselves through with many sorrows."*  
[1 Tim. 6:10, Bible, NKJV]

The reason behind the contradiction and hypocrisy is also explained by the following:

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. §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>

2. The fact that all "taxpayers" are public offices" in the government and that the human being is not the "taxpayer", but surety for the "taxpayer".
3. The fact that income tax returns essentially amount to "profit and loss statements" for federal business trusts created under the authority of the Social Security Act. See:

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

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 mother corporation that is the beneficiary of the Social Security trust, which is the "United States" federal corporation. See:

Great IRS Hoax, Form #11.302, Section 5.6.10  
<http://fanguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm>

5. The fact that you don't become a STATUTORY "taxpayer" and therefore a "public officer" without your consent.
  - 5.1. You must first voluntarily select a domicile or residence on federal territory called the "United States" before you can be a person subject to federal statutory law. This is typically done by committing fraud on the Social Security Form SS-5 application. See:

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

- 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 agreement is the method by which you voluntarily donate your formerly private property labor to a "public use", "public office", and "public purpose" and thereby become the equivalent of a "Kelly Girl" for your new employer, Uncle Sam, who then loans you out to private companies as their whore.

*"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: 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"]**; second, that if he devotes it to a public use, he gives to the public a right to control that use; and third, that whenever the public needs require, the public may take it upon payment of due compensation."*

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

- 5.3. The W-4 mechanism is the method to convert earnings from private labor into "wages" as legally defined, which are revenues connected with the public office instead of your own private earnings. See 26 C.F.R. §31.3401(a)-3(a), 26 C.F.R. §31.3402(p)-1.
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 franchise tax upon a "trade or business" so that the process of donating your private property to a public use, public 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.

- 1.3. If you do use STANDARD IRS Forms off the IRS website, you must at least incorporate by reference (preferred) or attach the following form in order to prevent false presumptions about your status that will prejudice your rights by connecting you to the “trade or business” franchise:

Tax Form Attachment, Form #04.201  
<http://sedm.org/Forms/FormIndex.htm>

2. You should emphasize that you never voluntarily submitted an IRS Form W-4 to anyone, and that:

- 2.1. All withholdings were accomplished under protest and against your will.  
2.2. You are attaching evidence of false W-2 using Form #04.304 listed above.  
2.3. You do not consent to participate in the “trade or business” or connect your private property to either a “public office” or “public use”, and that any attempts to do so are fraudulent and constitute THEFT. The ONLY person who can donate your labor, which is private property, to a “public use” and connect it with a “public office” is you. Indicate that you notified your private employer and in spite of this, they acted contrary to law and against your will and became a money launderer for the government in the process engaged in racketeering because they believed 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>

- 2.4. That any agreements or obligations arising from or inferred from the submission of IRS Forms W-2 or W-4 are void because instituted under duress:

*“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.”<sup>45</sup> 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,<sup>46</sup> and it is susceptible of ratification. Like other voidable contracts, it is valid until it is avoided by the person entitled to avoid it.<sup>47</sup> However, duress in the form of physical compulsion, in which a party is caused to appear to assent when he has no intention of doing so, is generally deemed to render the resulting purported contract void.<sup>48</sup>”*  
[American Jurisprudence 2d, Duress, §21 (1999)]

- 2.5. Any IRS Form W-2 the government may have received therefore could not lawfully have been filed against a nonresident alien not engaged in a “trade or business” because it is a product of fraud and unlawful activity.

- 2.6. You earned no “wages” or “gross income” pursuant to the following:

[§31.3402\(p\)-1 Voluntary withholding agreements.](#)

(a) In general.

*An employee and his employer may enter into an agreement under section 3402(b) to provide for the withholding of income tax upon payments of amounts described in paragraph (b)(1) of §31.3401(a)-3, made after December 31, 1970. An agreement may be entered into under this section only with respect to amounts which are includible in the gross income of the employee under section 61, and must be applicable to all such amounts paid by the employer to the employee. The amount to be withheld pursuant to an agreement under section 3402(p) shall be determined under the rules contained in section 3402 and the regulations thereunder. See §31.3405(c)-1, Q&A-3 concerning agreements to have more than 20-percent Federal income tax withheld from eligible rollover distributions within the meaning of section 402.*

- 2.7. That only “trade or business” earnings connected with a “public office” in the government may lawfully be listed on IRS Form W-2 as “wages, tips, and other compensation” pursuant to [26 U.S.C. §6041](#), and that you are not engaged in a “trade or business” and never consented or volunteered to be treated as though out do. See:

<sup>45</sup> Brown v. Pierce, 74 U.S. 205, 7 Wall 205, 19 L.Ed. 134

<sup>46</sup> 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.

<sup>47</sup> 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)

<sup>48</sup> 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. You should emphasize:

- 3.1. That your submission constitutes a "claim for refund" as described in [26 U.S.C. §6402](#)(a) as a nonresident alien not engaged in a "trade or business" with no "gross income" or "taxable income" pursuant to 26 C.F.R. §1.872-2(f).
- 3.2. That the refund authorized by [26 U.S.C. §6402](#)(a) is not limited to "taxpayers", but all those subject to an overpayment, and that "overpayment" includes any amount withheld in the case of a person who was "not liable" because a nonresident alien not engaged in a "trade or business" pursuant to [26 U.S.C. §6401](#)(c).
- 3.3. That the action is being brought under the common law and not civil statutory law because you are filing as someone who does not consent to be a statutory "taxpayer" or "person" and is receiving no benefit.
- 3.4. That the basis instead for the refund of unlawfully withheld earnings is:
  - 3.4.1. Undertaken under equity and not statute or law because there is no remedy provided for nonresident aliens not engaged in a "trade or business" who have had unlawful and false information returns filed against them and/or withholding done against them against their will.
  - 3.4.2. Undertaken in the spirit of the following:

*A claim against the United States is a right to demand money from the United States.<sup>49</sup> Such claims are sometimes spoken of as gratuitous in that they cannot be enforced by suit without statutory consent.<sup>50</sup> The general rule of non-liability of the United States<sup>51</sup> does not mean that a citizen cannot be protected against the wrongful governmental acts that affect the citizen or his or her property.<sup>52</sup> If, for example, money or property of an innocent person goes into the federal treasury by fraud to which a government agent was a party, the United States cannot hold the money or property against the claim of the injured party.<sup>53</sup> Generally, however, there is no statutory basis for permitting the recovery of a tax overpayment after the statute of limitations has expired.<sup>54</sup> [American Jurisprudence, United States, Claims against the United States, §45 (1999)]*

4. You should emphasize that penalties are illegal against nonresident alien nontaxpayers not engaged in a "trade or business", and especially in the context of a petition to the government for redress of grievances that is not subject to any 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>

5. You must controvert any IRS Form W-2's filed against you by:

- 5.1. Not including them with the original claim you send to the government.
  - 5.2. Providing substitutes for IRS Form W-2 that clearly identify themselves for use only by nonresident alien nontaxpayers not engaged in a "trade or business" pursuant to 26 C.F.R. §1.871-1(b)(i) and who has no "gross income" pursuant to 26 C.F.R. §1.872-2(f).
  - 5.3. Including a civil claim against the party who submitted the false W-2's pursuant to [26 U.S.C. §7434](#).
  - 5.4. Filing a criminal complaint for false returns against the submitter of the false returns pursuant to [26 U.S.C. §§7206](#) and 7207 and including this complaint with your claim. At that point, neither the court nor the IRS may use this information as evidence because it is "fruit of a poisonous tree" derived from the commission of a crime.
6. You must describe yourself as not having or consenting to any civil statutory status, including but not limited to "taxpayer", "person", "citizen", "resident", etc. and emphasize that neither the IRS nor the courts can lawfully turn a "nontaxpayer" into a "taxpayer" pursuant to:

<sup>49</sup> 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)

<sup>50</sup> Blagge v. Balch, 162 U.S. 439, 40 L.Ed. 1032, 16 S.Ct. 853.

<sup>51</sup> §87

<sup>52</sup> Wilson v. Shaw, 204 U.S. 24, 51 L.Ed. 351, 27 S.Ct. 233.

<sup>53</sup> 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.

<sup>54</sup> 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 Bd. 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.



"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)]

"In *Calder v. Bull*, which was here in 1798, Mr. Justice Chase said, that there were acts which the Federal and State legislatures could not do without exceeding their authority, and among them he mentioned a law which punished a citizen for an innocent act; a law that destroyed or impaired the lawful private [labor] contracts [and labor compensation, e.g. earnings from employment through compelled W-4 withholding] of citizens; a law that 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 government or another citizen, such as through social welfare programs]. 'It is against all reason and justice,' he added, 'for a people to intrust a legislature with such powers, and therefore it cannot be presumed that they have done it. They may command what is right and prohibit what is wrong; but they cannot change innocence [a "nontaxpayer"] into guilt [a "taxpayer"], or punish innocence as a crime, or violate the right of an antecedent lawful private [employment] contract [by compelling W-4 withholding, for instance], or the right of private property. To maintain that a Federal or State legislature possesses such powers [of THEFT!] if they had not been expressly restrained, would, in my opinion, be a political heresy altogether inadmissible in all free republican governments.' 3 Dall. 388."  
[*Sinking Fund Cases*, 99 U.S. 700 (1878) ]

9. At the bottom of every document included in the next section, you should write the following:

"Not valid without all the enclosures and no information redacted."

## 12 Resources for Further Study and Rebuttal

If you would like to study the subjects covered in this short pamphlet in further detail, may we recommend the following authoritative sources, and also welcome you to rebut any part of this pamphlet after you have read it and studied the subject carefully yourself just as we have:

1. *Proof that Involuntary Income Taxes on Your Labor are Slavery*, Form #05.055  
<http://sedm.org/Forms/FormIndex.htm>
2. *Excluded Earnings and People*, Form #14.019-proves that earnings that are private property are automatically excluded from "income".  
<http://sedm.org/Forms/FormIndex.htm>
3. Thirteenth Amendment Annotated Legal reference  
<http://caselaw.lp.findlaw.com/data/constitution/amendment13/>
4. Cites on "wages"-  
<http://famguardian.org/TaxFreedom/CitesByTopic/wages.htm>
5. *Is the Income Tax a Form of Slavery?*, Steven Yates  
<http://famguardian.org/Subjects/Freedom/Articles/IncomeTaxSlavery.htm>
6. ToCongress.com- Political action materials. Contains much research on this subject  
<http://tocongress.com/PRIVATEPROPERTY/01intro/01INTRODUCTION.htm>
7. *Enumeration of Inalienable Rights*, Form #06.004  
<http://sedm.org/Forms/FormIndex.htm>
8. *Liberty University*- Free educational materials for regaining your sovereignty as an entrepreneur or private person  
<http://sedm.org/LibertyU/LibertyU.htm>
9. *Family Guardian Website*, Taxes page  
<http://famguardian.org/Subjects/Taxes/taxes.htm>
10. *Great IRS Hoax*, Form #11.302  
<http://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm>
11. *Sovereignty Forms and Instructions Online*, Form #10.004- Free references and tools to help those who want to escape federal slavery  
<http://famguardian.org/TaxFreedom/FormsInstr.htm>
12. IRS Publication 17: Your Federal Income Tax  
<http://www.irs.gov/formspubs/index.html>
13. IRS Publication 334, Tax Guide for Small Businesses  
<http://famguardian.org/TaxFreedom/Forms/IRS/IRSPub334.pdf>
14. IRS Publication 535: Business Expenses

## 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:\_\_\_\_\_

4. Admit that line 7 of the IRS Form 1040 does not have method for excluding the value of property given in exchange for compensation for services.

YOUR ANSWER: \_\_\_\_Admit \_\_\_\_Deny

CLARIFICATION:\_\_\_\_\_

5. Admit that “compensation for services” are included in the definition of “gross income” found in [26 U.S.C. §61\(a\)\(1\)](#):

[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;

YOUR ANSWER: \_\_\_\_Admit \_\_\_\_Deny

CLARIFICATION:\_\_\_\_\_

6. Admit that the term “personal services” is defined as follows:

[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).

YOUR ANSWER: \_\_\_\_Admit \_\_\_\_Deny

CLARIFICATION:\_\_\_\_\_

7. Admit that earnings from “personal services” are not includible in “gross income” unless these services are connected with a “trade or business”, pursuant to [26 U.S.C. §864\(b\)\(1\)](#).

[TITLE 26](#) > [Subtitle A](#) > [CHAPTER 1](#) > [Subchapter N](#) > [PART I](#) > § 864  
[§ 864. Definitions and special rules](#)

(b) Trade or business within the United States

For purposes of this part, part II, and chapter 3, the term “[trade or business](#) within the [United States](#)” includes the performance of personal services within the United States at any time within the taxable year, **but does not include**—

(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:\_\_\_\_\_

8. 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:\_\_\_\_\_

9. 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:\_\_\_\_\_

10. Admit that taking any amount of a person's labor without their consent does not constitute "protection".

YOUR ANSWER: \_\_\_\_Admit \_\_\_\_Deny

CLARIFICATION:\_\_\_\_\_

11. Admit that taking any amount of a person's labor without their consent, or any of the property exchanged in procuring it, constitutes involuntary servitude in violation of the [Thirteenth Amendment](#) to the United States Constitution.

YOUR ANSWER: \_\_\_\_Admit \_\_\_\_Deny

CLARIFICATION:\_\_\_\_\_

1 12. Admit that there is no contract possessed by the U.S. Government which conveys any ownership or equitable interest  
2 against a citizen's labor.

3  
4 YOUR ANSWER: \_\_\_\_Admit \_\_\_\_Deny

5  
6 CLARIFICATION:\_\_\_\_\_

7  
8 If the answer to the above is Deny, then admit that said contract has not been signed by all parties to the contract.

9 13. Admit that only Congress has the authority to create a contract which binds the United States.

10  
11 YOUR ANSWER: \_\_\_\_Admit \_\_\_\_Deny

12  
13 CLARIFICATION:\_\_\_\_\_

14 14. Admit that a contract that does not bind the United States also cannot bind the citizen.

15  
16 YOUR ANSWER: \_\_\_\_Admit \_\_\_\_Deny

17  
18 CLARIFICATION:\_\_\_\_\_

19 15. Admit that a contract is voidable if it has not been knowingly, willfully consented to by all parties.

20  
21 YOUR ANSWER: \_\_\_\_Admit \_\_\_\_Deny

22  
23 CLARIFICATION:\_\_\_\_\_

24 16. Admit that one cannot willingly or knowingly consent to a contract without at the same time being unaware that said  
25 contract exists.

26  
27 YOUR ANSWER: \_\_\_\_Admit \_\_\_\_Deny

28  
29 CLARIFICATION:\_\_\_\_\_

30 17. Admit that a contract held by a party through deception and trickery constitutes fraud.

31  
32 YOUR ANSWER: \_\_\_\_Admit \_\_\_\_Deny

33  
34 CLARIFICATION:\_\_\_\_\_

35 18. Admit that fraud vitiates all contracts.

36  
37 YOUR ANSWER: \_\_\_\_Admit \_\_\_\_Deny

38  
39 CLARIFICATION:\_\_\_\_\_

40 19. Admit that the United States does not have any ownership rights or standing with respect to a citizens labor.

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

44  
45 YOUR ANSWER: \_\_\_\_Admit \_\_\_\_Deny

46  
47 CLARIFICATION:\_\_\_\_\_

48 20. Admit that Subtitle A of the Internal Revenue Code is a tax upon "profit" and not "all earnings":



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 no 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  
11       YOUR ANSWER: \_\_\_\_Admit \_\_\_\_Deny

12  
13       CLARIFICATION:\_\_\_\_\_

14       21. Admit that "profit" is defined as earnings minus expenses:

15  
16       YOUR ANSWER: \_\_\_\_Admit \_\_\_\_Deny

17  
18       CLARIFICATION:\_\_\_\_\_

19       22. Admit that "taxable income" is defined as "gross income" minus "deductions":

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

22                   *(a) In general*

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

25  
26       YOUR ANSWER: \_\_\_\_Admit \_\_\_\_Deny

27  
28       CLARIFICATION:\_\_\_\_\_

29  
30       **Affirmation:**

31       I declare under penalty of perjury as required under [26 U.S.C. §6065](#) that the answers provided by me to the foregoing  
32       questions are true, correct, and complete to the best of my knowledge and ability, so help me God. I also declare that these  
33       answers are completely consistent with each other and with my understanding of both the Constitution of the United States,  
34       Internal Revenue Code, Treasury Regulations, the Internal Revenue Manual (I.R.M.), and the rulings of the Supreme Court  
35       but not necessarily lower federal courts.

36       Name (print):\_\_\_\_\_

37       Signature:\_\_\_\_\_

38       Date:\_\_\_\_\_

39       Witness name (print):\_\_\_\_\_

40       Witness Signature:\_\_\_\_\_

41       Witness Date:\_\_\_\_\_