

TEST FOR FEDERAL TAX PROFESSIONALS

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1 "The taxpayer-- that's someone who works for the federal government but doesn't have to take the civil service
2 examination."
3 [President Ronald W. Reagan]

4 **1 PURPOSE/SCOPE**

5 The purpose of this document is to establish facts in support of the reasonable conclusion that:

- 6 1. Submitter is not engaged in a "trade or business" or any other taxable activity that might make him subject to the terms
7 of the Internal Revenue Code.
- 8 2. Submitter is a "nonresident alien"
- 9 3. Submitter is not a "citizen" or "resident" under the Internal Revenue Code
- 10 4. Submitter is not the "individual" defined in 5 U.S.C. §552a(a)(2) and 5 U.S.C. §552a(a)(13) and that all "individuals"
11 are "public officers" who work for the government.
- 12 5. Submitter is a "nontaxpayer" who is not "liable" to pay any monies to either the state or federal government under the
13 authority of Subtitle A of the Internal Revenue Code.
- 14 6. Submitter is not subject to the provisions of the Internal Revenue Code and "foreign" with respect to it.
- 15 7. The Internal Revenue Code qualifies as "legislation".
- 16 8. Federal government has no legislative jurisdiction within states of the Union.
- 17 9. States of the Union are "foreign" with respect to federal legislative jurisdiction.

18 This document consists of a series of factual statements supported by accompanying evidence. This form of inquiry is
19 called an "admission" in the legal field. The person receiving this document must provide an "Admit" or "Deny" answer to
20 each factual statement. The government, who is the moving party in this case, has the burden of proving the existence of
21 jurisdiction and liability PRIOR to attempting any enforcement or collection actions against the submitter:

22 [TITLE 5 - GOVERNMENT ORGANIZATION AND EMPLOYEES](#)
23 PART I - THE AGENCIES GENERALLY
24 CHAPTER 5 - ADMINISTRATIVE PROCEDURE
25 [SUBCHAPTER II - ADMINISTRATIVE PROCEDURE](#)
26 [Sec. 556. Hearings; presiding employees; powers and duties; burden of proof; evidence; record as basis of](#)
27 [decision](#)

28 (d) **Except as otherwise provided by statute, the proponent of a rule or order has the burden of proof.** Any
29 oral or documentary evidence may be received, but the agency as a matter of policy shall provide for the
30 exclusion of irrelevant, immaterial, or unduly repetitious evidence. **A sanction may not be imposed or rule or**
31 **order issued except on consideration of the whole record or those parts thereof cited by a party and supported**
32 **by and in accordance with the reliable, probative, and substantial evidence.** The agency may, to the extent
33 consistent with the interests of justice and the policy of the underlying statutes administered by the agency,
34 consider a violation of section 557(d) of this title sufficient grounds for a decision adverse to a party who has
35 knowingly committed such violation or knowingly caused such violation to occur. A party is entitled to present
36 his case or defense by oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-
37 examination as may be required for a full and true disclosure of the facts. In rule making or determining claims
38 for money or benefits or applications for initial licenses an agency may, when a party will not be prejudiced
39 thereby, adopt procedures for the submission of all or part of the evidence in written form.

40 The questions are structured in such a way that the only answer that is consistent with the evidence and context of each
41 question is "Admit". To answer "Deny" is to argue against the supporting evidence provided for each question. The
42 answer provided to each admission must be consistent with all the factual evidence provided and if it is not, the responding
43 party must explain in the "Clarification" area of their answer why the evidence provided in support of the question is
44 incorrect or not trustworthy.

45 At the end of the admissions, the recipient who completes these questions should sign under penalty of perjury, as required
46 by 26 U.S.C. §6065. Failure of the person completing the questions to sign the legal birth name under penalty of perjury
47 shall constitute an "Admit" to every question.

48 If the recipient of these admissions is not authorized to answer them, then the submitter insists that:

- 49 1. They be provided to someone within the receiving organization who can respond to each question.

1 2. That a letter be sent to the person who sent them the questions providing contact information of the person who will be
2 responding to the admissions.

3 Note that this document does *not* constitute:

4 1. An attempt to impede the lawful administration of either state or federal revenue law. Instead, it is an attempt to ensure
5 that the government respects and observes all of the Constitutional and lawful limits upon their authority to collect
6 revenues and thereby fulfills its only function to protect and defend the Constitutional rights of all Americans.

7 *"It is not the function of our Government to keep the citizen from falling into error; it is the function of the*
8 *citizen to keep the government from falling into error."*
9 [*American Communications Association v. Douds, 339 U.S. 382, 442. (1950)]*

10 2. An "argument" about anything, but simply a restatement of what the law and the courts say about a particular subject.
11 Consequently, it is absolutely pointless to accuse the submitter of being "frivolous". To accuse the submitter of being
12 frivolous would indirectly be an admission that the government is lying to the public, because all questions are backed
13 by evidence derived directly from the government.

14 3. A request for legal advice. More than adequate evidence is provided in support of each admission to establish the
15 answer to each question in a way that is completely consistent with prevailing law and judicial precedent.

16 Finally, if additional authorities are cited for a particular conclusion in response to each question, the person answering the
17 questions *must* observe the same constraints as the IRS itself in regards to the authority of cases cited. The constraints it
18 must operate under are as follows, from the Internal Revenue Manual off the IRS website:

19 *"Decisions made at various levels of the court system... may be used by either examiners or taxpayers to*
20 *support a position... A case decided by the U.S. Supreme Court becomes the law of the land and takes*
21 *precedence over decisions of lower courts... Decisions made by lower courts, such as Tax Court, District*
22 *Courts, or Claims Court, are binding on the Service only for the particular taxpayer and the years litigated.*
23 *Adverse decisions of lower courts do not require the Service to alter its position for other taxpayers."*
24 [*IRM 4.10.7.2.9.8 (05/14/99)*
25 <http://www.irs.gov/irm/part4/ch10s11.html>]

26 **2 INSTRUCTIONS TO RECIPIENT**

27 1. For each question, check either the "Admit" or "Deny" blocks.
28 2. Add additional explanation in the "Clarification" block at the end of the question. You are also encouraged to add
29 additional amplifying exhibits and explanation to your answers, and reference the section number and question number
30 in your answers.
31 3. Any question left unanswered shall be deemed as "Admit" and constitute a default pursuant to Federal Rule of Civil
32 Procedure 8(b)(6). To wit:

33 [III. PLEADINGS AND MOTIONS](#) > Rule 8.
34 [Rule 8. General Rules of Pleading](#)

35 *(b) Defenses; Admissions and Denials.*

36 *(6) Effect of Failing to Deny.*

37 *An allegation — other than one relating to the amount of damages — is admitted if a responsive pleading is*
38 *required and the allegation is not denied. If a responsive pleading is not required, an allegation is considered*
39 *denied or avoided.*

40 4. If the whole questionnaire is left unanswered, then the answer to all questions by the recipient shall be deemed to be
41 "Admit" and constitute a default under Fed.Rule.Civ.Proc. 8(b)(6).

42 5. Sign and date the end using blue original ink.

43 6. Photocopy.

44 7. Retain the copy for yourself and give the original to the requester.

1 **3 ADMISSIONS**

2 **3.1 Liability**

3 For additional information on the subjects covered in this section, please refer to:

- 4 1. *Tax Deposition Questions*, Form #03.016, Section 1: Liability.
5 <http://sedm.org/Forms/FormIndex.htm>
- 6 2. *Sovereignty Forms and Instructions Online*, Cites By Topic: "liability"
7 <http://famguardian.org/TaxFreedom/CitesByTopic/Liability.htm>
- 8 3. *Great IRS Hoax*, Section 5.5: Why We Aren't Liable to File Tax Returns or Keep Records
9 <http://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm>
- 10 4. *Great IRS Hoax*, Section 5.6: Why We Aren't Liable to Pay Income Tax
11 <http://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm>

12 _____

13 1. Admit that the only statute within Internal Revenue Code which makes a person liable for the tax described in Subtitle
14 A is withholding agents on nonresident aliens found in [26 U.S.C. §1461](#).

15 YOUR ANSWER: ___ Admit ___ Deny

16 CLARIFICATION: _____

19 2. Admit that there is no other statute applicable within [I.R.C. Subtitle A](#) which creates a duty or liability for the average
20 American domiciled in a state of the Union.

21 YOUR ANSWER: ___ Admit ___ Deny

22 CLARIFICATION: _____

25 3. Admit that the only condition in which a "citizens or residents of the United States" can owe a tax under the I.R.C. is
26 when they are abroad pursuant to [26 U.S.C. §911](#).

27 YOUR ANSWER: ___ Admit ___ Deny

28 CLARIFICATION: _____

31 4. Admit that there is no statute within the Internal Revenue Code Subtitle A which institutes a tax upon "citizens or
32 residents of the United States" when they are NOT "abroad" pursuant to [26 U.S.C. §911](#).

33 YOUR ANSWER: ___ Admit ___ Deny

34 CLARIFICATION: _____

37 5. Admit that the term "abroad" is nowhere defined in the Internal Revenue Code or the Treasury Regulations.

38 YOUR ANSWER: ___ Admit ___ Deny

39 CLARIFICATION: _____

42 6. Admit that the term "abroad" cannot lawfully include any part of a state of the Union.

43 YOUR ANSWER: ___ Admit ___ Deny

44 _____

1 CLARIFICATION: _____

2 7. Admit that what "citizens and residents of the United States" mentioned in [26 U.S.C. §911](#) have in common is a legal
3 domicile in the "United States", which is described in 26 U.S.C. §911(d)(3) as an "abode".

4 *Abode. One's home; habitation; place of dwelling; or residence. Ordinarily means "domicile." Living place*
5 *impermanent in character. Fowler v. Fowler, 156 Fla. 316, 22 So.2d 817, 818. The place where a person*
6 *dwells. In re Erickson, 18 N.J.Misc. 5, 10 A.2d 142, 146. Residence of a legal voter. Pope v. Board of*
7 *Education Com'rs, 370 Ill. 196, 18 N.E.2d 214, 216. Fixed place of residence for the time being. Augustus Co.,*
8 *for Use of Bourgeois v. Manzella, 19 N.J.Misc. 29, 17 A.2d 68, 70. For service of process, one's fixed place of*
9 *residence for the time being; his "usual place of abode." Fed.R. Civil P.4. Kurilla v Roth, 132 N.J.L. 213, 38*
10 *A.2d 862, 864. See Domicile; Residence.*
11 *[Black's Law Dictionary, Sixth Edition, p. 7]*

12
13 YOUR ANSWER: ___ Admit ___ Deny

14 CLARIFICATION: _____

16 8. Admit that only "aliens" can have a "residence" under I.R.C. Subtitle A and that there is no provision within the I.R.C.
17 which associates either a "national" or a "citizen" with a "residence".

18 *Title 26: Internal Revenue*
19 *PART 1—INCOME TAXES*
20 *nonresident alien individuals*
21 *§ 1.871-2 Determining residence of alien individuals.*

22 *(b) Residence defined.*

23 *An alien actually present in the United States who is not a mere transient or sojourner is a resident of the*
24 *United States for purposes of the income tax. **Whether he is a transient is determined by his intentions with***
25 ***regard to the length and nature of his stay.** A mere floating intention, indefinite as to time, to return to another*
26 *country is not sufficient to constitute him a transient. If he lives in the United States and has no definite*
27 *intention as to his stay, he is a resident. **One who comes to the United States for a definite purpose which in***
28 ***its nature may be promptly accomplished is a transient; but, if his purpose is of such a nature that an***
29 ***extended stay may be necessary for its accomplishment, and to that end the alien makes his home temporarily***
30 ***in the United States, he becomes a resident,** though it may be his intention at all times to return to his domicile*
31 *abroad when the purpose for which he came has been consummated or abandoned. An alien whose stay in the*
32 *United States is limited to a definite period by the immigration laws is not a resident of the United States within*
33 *the meaning of this section, in the absence of exceptional circumstances.*

34
35 YOUR ANSWER: ___ Admit ___ Deny

36 CLARIFICATION: _____

38 9. Admit that the "abode" within the "United States" described in [26 U.S.C. §911\(d\)\(3\)](#) is the same "United States"
39 defined in [26 U.S.C. §7701\(a\)\(9\)](#) and (a)(10).

40 *TITLE 26 > Subtitle F > CHAPTER 79 > Sec. 7701. [Internal Revenue Code]*
41 *[Sec. 7701. - Definitions](#)*

42 *(a)(9) United States*

43 *The term "United States" when used in a geographical sense includes only the States and the District of*
44 *Columbia.*

45 *(a)(10) State*

46 *The term "State" shall be construed to include the District of Columbia, where such construction is necessary to*
47 *carry out provisions of this title.*

48
49 YOUR ANSWER: ___ Admit ___ Deny

50 CLARIFICATION: _____

1 **3.2 How One “volunteers” to participate in the “trade or business” franchise**

2 For additional information on the subjects covered in this section, please refer to:

- 3 1. *Tax Deposition Questions*, Section 1
- 4 <http://famguardian.org/TaxFreedom/Forms/Discovery/Deposition/Deposition.htm>
- 5 2. *Great IRS Hoax*, Sections 5.4 through 5.4.27.8 entitled “The ‘Voluntary’ Aspect of Income Taxes
- 6 <http://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm>
- 7 3. *Requirement for Consent*, Form #05.003
- 8 <http://sedm.org/Forms/FormIndex.htm>

10 1. Admit that if the I.R.C. Subtitle A describes a franchise agreement or contract, then it doesn’t need a liability statute.

11 YOUR ANSWER: ___Admit ___Deny

12 CLARIFICATION: _____

15 2. Admit that the term “wages” includes only amounts earned in connection with employment under which a W-4 is in
16 place.

17 [26 CFR §31.3401\(a\)-3 Amounts deemed wages under voluntary withholding agreements](#)

18 (a) In general.

19 *Notwithstanding the exceptions to the definition of wages specified in section 3401(a) and the regulations*
20 *thereunder, **the term “wages” includes the amounts described in paragraph (b)(1) of this section with respect***
21 ***to which there is a voluntary withholding agreement in effect under section 3402(p).** References in this*
22 *chapter to the definition of wages contained in section 3401(a) shall be deemed to refer also to this section*
23 *(§31.3401(a)-3).*

24 (b) Remuneration for services.

25 (1) *Except as provided in subparagraph (2) of this paragraph, the amounts referred to in paragraph (a) of this*
26 *section include any remuneration for services performed by an employee for an employer which, without regard*
27 *to this section, does not constitute wages under section 3401(a). For example, remuneration for services*
28 *performed by an agricultural worker or a domestic worker in a private home (amounts which are specifically*
29 *excluded from the definition of wages by section 3401(a) (2) and (3), respectively) are amounts with respect to*
30 *which a voluntary withholding agreement may be entered into under section 3402(p). See §§31.3401(c)-1 and*
31 *31.3401(d)-1 for the definitions of “employee” and “employer”.*

33 YOUR ANSWER: ___Admit ___Deny

34 CLARIFICATION: _____

36 3. Admit that a person who never submitted a IRS Form W-4 in the context of their private employment cannot earn
37 “wages” as defined above.

38 YOUR ANSWER: ___Admit ___Deny

39 CLARIFICATION: _____

41 4. Admit that a “voluntary withholding agreement” or “agreement” is a contract.

42 *“Agreement. A meeting of two or more minds; a coming together in opinion or determination; the coming*
43 *together in accord of two minds on a given proposition. In law, a concord of understanding and intention*
44 *between two or more parties with respect to the effect upon their relative rights and duties, of certain past or*
45 *future facts or performances. **The consent of two or more persons concurring respecting the transmission of***
46 ***some property, right, or benefits, with the view of contracting an obligation, a mutual obligation.***

1 "A manifestation of mutual assent on the part of two or more persons as to the substance of a contract.
2 Restatement, Second, Contracts, §3.

3 "The act of two or more persons, who unite in expressing a mutual and common purpose, with the view of
4 altering their rights and obligations. The union of two or more minds in a thing done or to be done; a mutual
5 assent to do a thing. A compact between parties are there are thereby subjected to the obligation or to whom
6 the contemplated right is thereby secured. "
7 [Black's Law Dictionary, Sixth Edition, p. 67]

8
9 YOUR ANSWER: ___Admit ___Deny

10
11 CLARIFICATION:_____

- 12 5. Admit the IRS Form W-4 is entitled "Employee Withholding Allowance Certificate" says NOTHING about the
13 formation of a "contract" or "agreement" anywhere on the form.

14 See the following for IRS form W-4: http://famguardian.org/TaxFreedom/Forms/IRS/IRSFormw4_01.pdf

15
16 YOUR ANSWER: ___Admit ___Deny

17
18 CLARIFICATION:_____

- 19 6. Admit that no federal legislative jurisdiction within states of the Union is required in order to enforce a private contract
20 called a W-4 between a sovereign American and the federal government in a federal court.

21 "Independent of these views, there are many considerations which lead to the conclusion that the power to
22 impair contracts, by direct action to that end, does not exist with the general [federal] government. In the first
23 place, one of the objects of the Constitution, expressed in its preamble, was the establishment of justice, and
24 what that meant in its relations to contracts is not left, as was justly said by the late Chief Justice, in *Hepburn v.*
25 *Griswold*, to inference or conjecture. As he observes, at the time the Constitution was undergoing discussion in
26 the convention, the Congress of the Confederation was engaged in framing the ordinance for the government of
27 the Northwestern Territory, in which certain articles of compact were established between the people of the
28 original States and the people of the Territory, for the purpose, as expressed in the instrument, of extending the
29 fundamental principles of civil and religious liberty, upon which the States, their laws and constitutions, were
30 erected. By that ordinance it was declared, that, in the just preservation of rights and property, 'no law ought
31 ever to be made, or have force in the said Territory, that shall, in any manner, interfere with or affect private
32 contracts or engagements bona fide and without fraud previously formed.' The same provision, adds the Chief
33 Justice, found more condensed expression in the prohibition upon the States [in Article 1, Section 10 of the
34 Constitution] against impairing the obligation of contracts, which has ever been recognized as an efficient
35 safeguard against injustice; and though the prohibition is not applied in terms to the government of the United
36 States, he expressed the opinion, speaking for himself and the majority of the court at the time, that it was clear
37 'that those who framed and those who adopted the Constitution intended that the spirit of this prohibition
38 should pervade the entire body of legislation, and that the justice which the Constitution was ordained to
39 establish was not thought by them to be compatible with legislation [or judicial precedent] of an opposite
40 tendency.' 8 Wall. 623. [99 U.S. 700, 765] Similar views are found expressed in the opinions of other judges
41 of this court.'
42 [Sinking Fund Cases, 99 U.S. 700 (1878)]

43
44 YOUR ANSWER: ___Admit ___Deny

45
46 CLARIFICATION:_____

- 47 7. Admit that consent to the constructive contract formed by signing and submitting the IRS Form W-4 must be procured
48 voluntarily and absent duress in order to be legally enforceable against the parties to it.

49 "duress. Any unlawful threat or coercion used by a person to induce another to act (or to refrain from acting)
50 in a manner he or she otherwise would not (or would). Subjecting person to improper pressure which
51 overcomes his will and coerces him to comply with demand to which he would not yield if acting as free agent.
52 *Head v. Gadsden Civil Service Bd.*, Ala.Civ.App., 389 So.2d 516, 519. Application of such pressure or
53 constraint as compels man to go against his will, and takes away his free agency, destroying power of refusing
54 to comply with unjust demands of another. *Haumont v. Security State Bank*, 220 Neb. 809, 374 N.W.2d 2,6.

55 ...

1 A contract entered into under duress by physical compulsion is void. Also, if a party's manifestation of assent
2 to a contract is induced by an improper threat by the other party that leaves the victim no reasonable
3 alternative, the contract is voidable by the victim. Restatement, Second, Contracts §§174, 175.

4 As a defense to a civil action, it must be pleaded affirmatively. Fed.R.Civil P. 8(c)."
5 [Black's Law Dictionary, Sixth Edition, p. 504]

6
7 YOUR ANSWER: ___Admit ___Deny

8
9 CLARIFICATION:_____

- 10 8. Admit that threats by a private employer against prospective or current private employees to the effect that refusal to
11 sign or submit an form W-4 will result in termination of employment or refusal to hire cannot be considered
12 "voluntary" and must instead be considered to be instituted under duress.

13 "**voluntary**. Unconstrained by interference; unimpelled by another's influence; spontaneous; acting of oneself.
14 Coker v. State, 199 Ga. 20, 33 S.E.2d 171, 174. Done by design or intention. Proceeding from the free and
15 unrestrained will of the person. Produced in or by an act of choice. Resulting from free choice, without
16 compulsion or solicitation. The word, especially in statutes, often implies knowledge of essential facts. Without
17 valuable consideration; gratuitous, as a voluntary conveyance. Also, having a merely nominal consideration;
18 as, a voluntary deed."
19 [Black's Law Dictionary, Sixth Edition, p. 1575]

20
21 YOUR ANSWER: ___Admit ___Deny

22
23 CLARIFICATION:_____

- 24 9. Admit that any contract obtained under duress is voidable and unenforceable against the party who was under the
25 duress.

26 "An agreement [consent] obtained by duress, coercion, or intimidation is invalid, since the party coerced is not
27 exercising his free will, and the test is not so much the means by which the party is compelled to execute the
28 agreement as the state of mind induced. ¹ Duress, like fraud, rarely becomes material, except where a contract
29 or conveyance has been made which the maker wishes to avoid. As a general rule, duress renders the contract
30 or conveyance voidable, not void, at the option of the person coerced, ² and it is susceptible of ratification.
31 Like other voidable contracts, it is valid until it is avoided by the person entitled to avoid it. ³ However, duress
32 in the form of physical compulsion, in which a party is caused to appear to assent when he has no intention of
33 doing so, is generally deemed to render the resulting purported contract void. ⁴"
34 [American Jurisprudence 2d, Duress, Section 21]

35
36 YOUR ANSWER: ___Admit ___Deny

37
38 CLARIFICATION:_____

- 39 10. Admit that acts accomplished or liabilities contracted under duress are legally treated as having been performed by or
40 executed by the source of the duress, and not the person acting under the duress.

41
42 YOUR ANSWER: ___Admit ___Deny

43
CLARIFICATION:_____

¹ Brown v Pierce, 74 U.S. 205, 7 Wall 205, 19 L Ed 134

² Barnette v Wells Fargo Nevada Nat'l Bank, 270 U.S. 438, 70 L Ed 669, 46 S Ct 326 (holding that acts induced by duress which operate solely on the mind, and fall short of actual physical compulsion, are not void at law, but are voidable only, at the election of him whose acts were induced by it); Fasje v Gershman, 30 Misc 2d 442, 215 NYS2d 144; Glenney v Crane (Tex Civ App Houston (1st Dist)) 352 SW2d 773, writ ref n r e (May 16, 1962); Carroll v Fetty, 121 W Va 215, 2 SE2d 521, cert den 308 U.S. 571, 84 L Ed 479, 60 S Ct 85.

³ Fasje v Gershman, 30 Misc 2d 442, 215 NYS2d 144; Heider v Unicume, 142 Or 416, 20 P2d 384; Glenney v Crane (Tex Civ App Houston (1st Dist)) 352 SW2d 773, writ ref n r e (May 16, 1962)

⁴ Restatement 2d, Contracts § 174, stating that if conduct that appears to be a manifestation of assent by a party who does not intend to engage in that conduct is physically compelled by duress, the conduct is not effective as a manifestation of assent.

1 11. Admit that federal officials, including employees of the IRS, who condone or tolerate the imposition of duress are
2 parties to it, and under federal law, become “accessories after the fact”, which is a criminal act.

3 [TITLE 18](#) > [PART 1](#) > [CHAPTER 1](#) > § 3
4 [§ 3. Accessory after the fact](#)

5 *Whoever, knowing that an offense against the United States has been committed, receives, relieves, comforts or*
6 *assists the offender in order to hinder or prevent his apprehension, trial or punishment, is an accessory after the*
7 *fact.*

8 *Except as otherwise expressly provided by any Act of Congress, an accessory after the fact shall be imprisoned*
9 *not more than one-half the maximum term of imprisonment or (notwithstanding section 3571) fined not more*
10 *than one-half the maximum fine prescribed for the punishment of the principal, or both; or if the principal is*
11 *punishable by life imprisonment or death, the accessory shall be imprisoned not more than 15 years.*

12
13 YOUR ANSWER: ___Admit ___Deny

14
15 CLARIFICATION:_____

16 12. Admit that an IRS form W-2 provided by a private employer on a W-2 creates at least a “presumption” of receipt of
17 “wages” in block 1. This is because 26 CFR §31.3401(a)-3 says that a person can only receive “wages” if they submit
18 a W-4 agreement to their private employer.

19 [26 CFR §31.3401\(a\)-3 Amounts deemed wages under voluntary withholding agreements](#)

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

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

32
33 YOUR ANSWER: ___Admit ___Deny

34
35 CLARIFICATION:_____

36 13. Admit that a nonzero amount for “wages” in block 1 of a W-2 form creates a rebuttable “presumption” in the mind of
37 the IRS that the subject of the W-2 completed and submitted an IRS Form W-4 to their private employer.

38 See preceding question, [26 CFR §31.3401\(a\)-3\(a\)](#) .

39 YOUR ANSWER: ___Admit ___Deny

40
41 CLARIFICATION:_____

42 14. Admit that a person who never submitted an IRS form W-4 to their employer and thereby consented or “agreed” to
43 participate in federal income taxes, should have a zero amount listed in block 1 of the W-2 filed by their private
44 employer.

45 See [26 CFR §31.3401\(a\)-3\(a\)](#) above, in question 17.

46
47 YOUR ANSWER: ___Admit ___Deny

48
49 CLARIFICATION:_____

1 15. Admit that the same result as the preceding question also applies in the case of an employee who submitted a W-4
2 under duress but who in fact did not wish to participate. To do otherwise would be to condone theft and robbery.

3 YOUR ANSWER: ___ Admit ___ Deny

4
5 CLARIFICATION: _____

6 16. Admit that the only method available for rebutting false presumptions about the receipt of “wages” is to complete, sign,
7 and submit an IRS Form 4852 or W-2c or 4598 to the IRS and/or one’s private employer.

8 See the following for sample IRS Form 4852: <http://famguardian.org/TaxFreedom/Forms/IRS/IRSForm4852.pdf>

9
10 YOUR ANSWER: ___ Admit ___ Deny

11
12 CLARIFICATION: _____

13 17. Admit that the IRS DOES NOT make the IRS Form 4598 entitled “Form W-2, 1099, 1098, or 1099 Not Received,
14 Incorrect or Lost” available to the public on their website.

15 See: <http://www.irs.gov/formspubs/index.html>

16
17 YOUR ANSWER: ___ Admit ___ Deny

18
19 CLARIFICATION: _____

20 18. Admit that *not* making the IRS Form 4598 available on the IRS website has the effect of increasing IRS revenues
21 derived form involuntarily withheld payroll taxes.

22 YOUR ANSWER: ___ Admit ___ Deny

23
24 CLARIFICATION: _____

25 19. Admit that when an IRS employee or IRS publication encourages private nonfederal employers to withhold earnings
26 from their private employees against their will or without their informed voluntary consent constitutes involuntary
27 servitude in violation of the Thirteenth Amendment to the U.S. Constitution, extortion under the color of office, and
28 peonage.

29 [Thirteenth Amendment](#)

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

32 *Section 2. Congress shall have power to enforce this article by appropriate legislation.*
33 _____

34 [TITLE 42 > CHAPTER 21 > SUBCHAPTER 1 > Sec. 1994.](#)
35 [Sec. 1994. - Peonage abolished](#)

36 *The holding of any person to service or labor under the system known as peonage is abolished and forever*
37 *prohibited in any Territory or State of the United States; and all acts, laws, resolutions, orders, regulations, or*
38 *usages of any Territory or State, which have heretofore established, maintained, or enforced, or by virtue of*
39 *which any attempt shall hereafter be made to establish, maintain, or enforce, directly or indirectly, the*
40 *voluntary or involuntary service or labor of any persons as peons, in liquidation of any debt or obligation, or*
41 *otherwise, are declared null and void*
42 _____

43 *“**extortion under the color of office.** ...Unlawful taking by any officer by color of his office, of any money or*
44 *thing of value, that is not due to him, or more than is due or before it is due.” 4 Bla.Comm. 141; Com. v.*
45 *Saulsbury, 152 Pa. 554, 25 A. 610; U.S. v. Denver, D.C.N.C. 14 F. 595; Bush v. State, 19 Ariz. 195, 168 P. 508,*
46 *509...”Obtaining property from another, induced by wrongful use of force or fear, OR under color of official*

1 right." See *State v. Logan*, 104 La. 760, 29 So. 336; *In re Rempfer*, 51 S.D. 393, 216 N.W. 355, 359, 55 A.L.R.
2 1346; *Lee v. State*, 16 Ariz. 291, 145 P. 244, 246, Ann.Cas. 1917B, 131."
3 [Black's Law Dictionary, Fourth Edition]
4

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

15 YOUR ANSWER: ___ Admit ___ Deny

16 CLARIFICATION: _____

- 17
18
19 20. Admit that the decision to either hold public office or sign a W-4 agreement is a voluntary personal decision that
20 cannot be coerced, and if it is, it becomes invalid and unenforceable at the option of the person so coerced.

21 "An agreement [consent] obtained by duress, coercion, or intimidation is invalid, since the party coerced is not
22 exercising his free will, and the test is not so much the means by which the party is compelled to execute the
23 agreement as the state of mind induced.⁵ Duress, like fraud, rarely becomes material, except where a contract
24 or conveyance has been made which the maker wishes to avoid. As a general rule, duress renders the contract
25 or conveyance voidable, not void, at the option of the person coerced,⁶ and it is susceptible of ratification. Like
26 other voidable contracts, it is valid until it is avoided by the person entitled to avoid it.⁷ However, duress in
27 the form of physical compulsion, in which a party is caused to appear to assent when he has no intention of
28 doing so, is generally deemed to render the resulting purported contract void.⁸"
29 [*American Jurisprudence 2d, Duress, Section 21*]

30 YOUR ANSWER: ___ Admit ___ Deny

31 CLARIFICATION: _____

- 32
33 21. Admit that because holding public office is "voluntary", then all taxes based upon this activity must also be voluntary
34 and avoidable for those who are not already "public officers".

35 YOUR ANSWER: ___ Admit ___ Deny

36 CLARIFICATION: _____

- 37
38
39 22. Admit that because holding public office is "voluntary", then all taxes based upon this activity must also be voluntary
40 and avoidable.

41 YOUR ANSWER: ___ Admit ___ Deny

42 CLARIFICATION: _____

43
44

⁵ *Brown v. Pierce*, 74 U.S. 205, 7 Wall 205, 19 L Ed 134

⁶ *Barnette v. Wells Fargo Nevada Nat'l Bank*, 270 U.S. 438, 70 L Ed 669, 46 S.Ct. 326 (holding that acts induced by duress which operate solely on the mind, and fall short of actual physical compulsion, are not void at law, but are voidable only, at the election of him whose acts were induced by it); *Faske v. Gershman*, 30 Misc 2d 442, 215 NYS2d 144; *Glennay v. Crane* (Tex Civ App Houston (1st Dist)) 352 SW2d 773, writ ref n r e (May 16, 1962); *Carroll v. Fetty*, 121 W Va 215, 2 SE2d 521, cert den 308 U.S. 571, 84 L Ed 479, 60 S.Ct. 85.

⁷ *Faske v. Gershman*, 30 Misc 2d 442, 215 NYS2d 144; *Heider v. Unicume*, 142 Or 416, 20 P2d 384; *Glennay v. Crane* (Tex Civ App Houston (1st Dist)) 352 SW2d 773, writ ref n r e (May 16, 1962)

⁸ Restatement 2d, Contracts § 174, stating that if conduct that appears to be a manifestation of assent by a party who does not intend to engage in that conduct is physically compelled by duress, the conduct is not effective as a manifestation of assent.

1 23. Admit that the way to legally avoid taxes based on the activity of holding of a public office is to choose not to involve
2 oneself in the activity.

3
4 YOUR ANSWER: ___Admit ___Deny

5
6 CLARIFICATION:_____

7 **3.3 Withholding and Reporting**

8 For additional information on the subjects covered in this section, please refer to:

- 9 1. Income Tax Withholding and Reporting, Form #12.004: Short training course on income tax withholding and
10 reporting.
11 <http://sedm.org/Forms/FormIndex.htm>
12 2. Federal and State Withholding Options for Private Employers, Form #09.001
13 <http://sedm.org/Forms/FormIndex.htm>
14 3. Federal Tax Withholding, Form #04.102: Terse summary of the content of item 2 above.
15 <http://sedm.org/Forms/FormIndex.htm>
16 4. Correcting Erroneous Information Returns, Form #04.001: How to correct false IRS Forms W-2, 1042s, 1098, and
17 1099.
18 <http://sedm.org/Forms/FormIndex.htm>

19 _____
20 1. Admit that IRS Form W-4 is identified as an “agreement” in the Treasury Regulations.

21 [26 CFR §31.3401\(a\)-3 Amounts deemed wages under voluntary withholding agreements](#)

22 *(a) In general. **Notwithstanding the exceptions to the definition of wages specified in section 3401(a) and the**
23 **regulations thereunder, the term “wages” includes the amounts described in paragraph (b)(1) of this section**
24 **with respect to which there is a voluntary withholding agreement in effect under section 3402(p).** References
25 in this chapter to the definition of wages contained in section 3401(a) shall be deemed to refer also to this
26 section (§31.3401(a)-3.
27*

28 _____
29 Title 26: Internal Revenue
30 [PART 31—EMPLOYMENT TAXES AND COLLECTION OF INCOME TAX AT SOURCE](#)
31 [Subpart E—Collection of Income Tax at Source](#)
[§ 31.3402\(p\)-1 Voluntary withholding agreements.](#)

32 *(a) In general.*

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

41
42 YOUR ANSWER: ___Admit ___Deny

43
44 CLARIFICATION:_____

45 2. Admit that “private employers”, which are entities not engaged in a “public office”, are not required to enter into any
46 kind of agreements:

47 [IRM 5.14.10.2 \(09-30-2004\)](#)
48 *Payroll Deduction Agreements*

1 2. *Private employers, states, and political subdivisions are not required to enter into payroll deduction*
2 *agreements. Taxpayers should determine whether their employers will accept and process executed agreements*
3 *before agreements are submitted for approval or finalized.*
4 [<http://www.irs.gov/irm/part5/ch14s10.html>]
5

6 YOUR ANSWER: ___ Admit ___ Deny

7
8 CLARIFICATION: _____

9 3. Admit that the term “wages” is defined in [26 U.S.C. §3401\(a\)](#).

10 YOUR ANSWER: ___ Admit ___ Deny

11
12 CLARIFICATION: _____

13
14 4. Admit that the IRS Form W-2 may only lawfully be filed in connection with persons who have signed IRS Form W-4
15 agreements.

16 YOUR ANSWER: ___ Admit ___ Deny

17
18 CLARIFICATION: _____

19
20 5. Admit that the IRS Form W-2 is called an “information return” by the IRS.

21 YOUR ANSWER: ___ Admit ___ Deny

22
23 CLARIFICATION: _____

24
25 6. Admit that all information returns may only be filed in connection with a “trade or business” pursuant to [26 U.S.C.](#)
26 [§6041\(a\)](#).

27 [TITLE 26 > Subtitle F > CHAPTER 61 > Subchapter A > PART III > Subpart B > § 6041](#)
28 [§ 6041. Information at source](#)

29 (a) *Payments of \$600 or more*

30 *All persons engaged in a trade or business and making payment in the course of such trade or business to*
31 *another person, of rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or*
32 *other fixed or determinable gains, profits, and income (other than payments to which section 6042 (a)(1), 6044*
33 *(a)(1), 6047 (e), 6049 (a), or 6050N (a) applies, and other than payments with respect to which a statement is*
34 *required under the authority of section 6042 (a)(2), 6044 (a)(2), or 6045), of \$600 or more in any taxable year,*
35 *or, in the case of such payments made by the United States, the officers or employees of the United States*
36 *having information as to such payments and required to make returns in regard thereto by the regulations*
37 *hereinafter provided for, shall render a true and accurate return to the Secretary, under such regulations and in*
38 *such form and manner and to such extent as may be prescribed by the Secretary, setting forth the amount of*
39 *such gains, profits, and income, and the name and address of the recipient of such payment.*

40
41 YOUR ANSWER: ___ Admit ___ Deny

42
43 CLARIFICATION: _____

44 7. Admit that all earnings reported on an IRS Form W-2 are “trade or business” earnings connected with a “public office”
45 in the United States government.

46 YOUR ANSWER: ___ Admit ___ Deny

47
48 CLARIFICATION: _____

1 8. Admit that information returns filed against a person who is not engaged in a “trade or business” or a “public office”
2 are false and that those who submit them, if notified they are false, are engaged in criminal FRAUD if they submit said
3 information returns to the government.
4

5 YOUR ANSWER: ___ Admit ___ Deny
6

7 CLARIFICATION: _____

8 9. Admit that a biological person who does not work for the federal government as a “public officer” and who did not
9 voluntarily sign and submit an IRS Form W-4 is not engaged in a “trade or business” and may not lawfully have any
10 amount of earnings reported against him or her on an IRS Form W-2 without violating [26 U.S.C. §7206](#) and [7207](#).

11 [TITLE 26 > Subtitle F > CHAPTER 75 > Subchapter A > PART I > § 7206](#)
12 [§ 7206. Fraud and false statements](#)

13 Any person who—

14 (1) Declaration under penalties of perjury

15 Willfully makes and subscribes any return, statement, or other document, which contains or is verified by a
16 written declaration that it is made under the penalties of perjury, and which he does not believe to be true and
17 correct as to every material matter; or

18 (2) Aid or assistance

19 Willfully aids or assists in, or procures, counsels, or advises the preparation or presentation under, or in
20 connection with any matter arising under, the internal revenue laws, of a return, affidavit, claim, or other
21 document, which is fraudulent or is false as to any material matter, whether or not such falsity or fraud is with
22 the knowledge or consent of the person authorized or required to present such return, affidavit, claim, or
23 document; or
24

25 YOUR ANSWER: ___ Admit ___ Deny
26

27 CLARIFICATION: _____

28 10. Admit that withholding and levies in connection with earnings from employment apply ONLY to “wages” as legally
29 defined and NOT against *all earnings*, meaning that they apply only to the portion of one’s earnings that are connected
30 with a “public office” or “trade or business” and therefore connected to a “public use”.

31 **Public use.** Eminent domain. The constitutional and statutory basis for taking property by eminent domain.
32 For condemnation purposes, "public use" is one which confers some benefit or advantage to the public; it is not
33 confined to actual use by public. It is measured in terms of right of public to use proposed facilities for which
34 condemnation is sought and, as long as public has right of use, whether exercised by one or many members of
35 public, a "public advantage" or "public benefit" accrues sufficient to constitute a public use. *Montana Power*
36 *Co. v. Bokma, Mont., 457 P.2d 769, 772, 773.*

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

49 See also *Condemnation; Eminent domain.*
50 [*Black's Law Dictionary, Sixth Edition, p. 1232*]
51

52 YOUR ANSWER: ___ Admit ___ Deny
53

1 CLARIFICATION: _____

- 2 11. Admit that the IRS Individual Master File (IMF) applies the tax to one’s “wages” as legally defined and NOT all of
3 their earnings or to wages as commonly understood.

4
5 See: <http://famguardian.org/TaxFreedom/Instructions/0.8ObtAndAnalyzingIMF.htm>

6
7 YOUR ANSWER: ____Admit ____Deny

8
9 CLARIFICATION: _____

- 10 12. Admit that a subset of those holding “public office” are described as “employees” within 26 U.S.C. §3401(c) and [26](#)
11 [CFR §31.3401\(c \)-1](#).

12 [26 U.S.C. §3401\(c \) Employee](#)

13 *For purposes of this chapter, the term "employee" includes [is limited to] an officer, employee, or elected*
14 *official of the United States, a State, or any political subdivision thereof, or the District of Columbia, or any*
15 *agency or instrumentality of any one or more of the foregoing. The term "employee" also includes an officer of*
16 *a corporation.*

17
18 [26 CFR §31.3401\(c \)-1 Employee:](#)

19 *"...the term [employee] includes officers and employees, whether elected or appointed, of the United States, a*
20 *[federal] State, Territory, Puerto Rico or any political subdivision, thereof, or the District of Columbia, or any*
21 *agency or instrumentality of any one or more of the foregoing. The term 'employee' also includes an officer of a*
22 *corporation."*

23
24 YOUR ANSWER: ____Admit ____Deny

25
26 CLARIFICATION: _____

- 27 13. Admit that the “employee” defined above is the SAME “employee” described in IRS Form W-4.

28
29 YOUR ANSWER: ____Admit ____Deny

30
31 CLARIFICATION: _____

- 32 14. Admit that the IRS Form W-4 may not lawfully be used to initiate withholding against a person who was not
33 ALREADY engaged in a “public office” BEFORE they signed the form. In other words, admit that the W-4 form does
34 not CREATE a “public office” but simply authorizes taxation of an EXISTING public office within the U.S.
35 government.

36
37 YOUR ANSWER: ____Admit ____Deny

38
39 CLARIFICATION: _____

- 40 15. Admit that the use or abuse of IRS Form W-4 to CREATE public offices in the U.S. government would constitute a
41 criminal violation of 18 U.S.C. §912 and a civil violation of 4 U.S.C. §72.

42 [TITLE 18 > PART 1 > CHAPTER 43 > § 912](#)
43 [§ 912. Officer or employee of the United States](#)

44 *Whoever **falsely assumes or pretends to be an officer or employee acting under the authority of the United***
45 ***States** or any department, agency or officer thereof, and acts as such, or in such pretended character demands*
46 *or obtains any money, paper, document, or thing of value, shall be fined under this title or imprisoned not more*
47 *than three years, or both.*

48
49 [TITLE 4 > CHAPTER 3 > § 72](#)

1 [§ 72. Public offices; at seat of Government](#)

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

4
5 YOUR ANSWER: ____ Admit ____ Deny

6
7 CLARIFICATION: _____

- 8 16. Admit that IRS Forms W-2, 1042s, 1098, and 1099 cannot lawfully be used to CREATE public offices, but merely
9 document the exercise of those already lawfully occupying said office pursuant to Article VI of the United States
10 Constitution.

11
12 YOUR ANSWER: ____ Admit ____ Deny

13
14 CLARIFICATION: _____

- 15 17. Admit that if IRS Forms W-2, 1042s, 1098, and 1099 are used to “elect” an otherwise private person involuntarily into
16 public office that he or she does not consent to occupy, the filer of the information return is criminally liable for:
17 1.1. Filing false returns and statements pursuant to 26 U.S.C. §§7206, 7207.
18 1.2. Impersonating a public officer pursuant to 18 U.S.C. §912.
19 1.3. Involuntary servitude in violation of 18 U.S.C. §§1581, 1593 and the Thirteenth Amendment.

20
21 YOUR ANSWER: ____ Admit ____ Deny

22
23 CLARIFICATION: _____

- 24 18. Admit that one cannot be an “employee” as defined above or within the meaning of 5 U.S.C. §2105 without also being
25 engaged in a “trade or business” activity.

26 [TITLE 5 > PART III > Subpart A > CHAPTER 21 > § 2105](#)
27 [§ 2105. Employee](#)

28 *(a) For the purpose of this title, “employee”, except as otherwise provided by this section or when specifically*
29 *modified, means an officer and an individual who is—*

30 *(1) appointed in the civil service by one of the following acting in an official capacity—*

- 31 *(A) the President;*
32 *(B) a Member or Members of Congress, or the Congress;*
33 *(C) a member of a uniformed service;*
34 *(D) an individual who is an employee under this section;*
35 *(E) the head of a Government controlled corporation; or*
36 *(F) an adjutant general designated by the Secretary concerned under section 709 (c) of title 32;*

37 *(2) engaged in the performance of a Federal function under authority of law or an Executive act; and*

38 *(3) subject to the supervision of an individual named by paragraph (1) of this subsection while engaged in the*
39 *performance of the duties of his position.*

40 YOUR ANSWER: ____ Admit ____ Deny

41
42 CLARIFICATION: _____

- 43 19. Admit that the practical affect of signing a W-4 agreement is to make one’s earnings into “wages” as legally defined in
44 [26 U.S.C. §3401](#) and to make them into “gross income”.

45 *Title 26: Internal Revenue*
46 [PART 31—EMPLOYMENT TAXES AND COLLECTION OF INCOME TAX AT SOURCE](#)
47 [Subpart E—Collection of Income Tax at Source](#)
48 [§ 31.3402\(p\)-1 Voluntary withholding agreements.](#)

1 (a) In general.

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

10 YOUR ANSWER: ___ Admit ___ Deny

11 CLARIFICATION: _____

13 20. Admit that the above provision within 26 CFR §31.3402(p)-1(a) is NOT found anywhere within the I.R.C. and
14 therefore is unenforceable.

15 “When enacting §7206(1) Congress undoubtedly knew that the Secretary of the Treasury is empowered to
16 prescribe all needful rules and regulations for the enforcement of the internal revenue laws, so long as they
17 carry into effect the will of Congress as expressed by the statutes. Such regulations have the force of law. **The**
18 **Secretary, however, does not have the power to make law.**”⁹
19 [United States v. Levy, 533 F.2d 969 (1976)]
20

21 Finally, the Government points to the fact that the Treasury Regulations relating to the statute purport to
22 include the pick-up man among those subject to the s 3290 tax,^{FN1} and argues (a) that this constitutes an
23 administrative interpretation to which we should give weight in construing the statute, particularly because (b)
24 section 3290 was carried over in haec verba into s 4411 of the Internal Revenue Code of 1954, 26 U.S.C.A. s
25 4411. We find neither argument persuasive. In light of the above discussion, *359 we cannot but regard this
26 Treasury Regulation as no more than an attempted addition to the statute of something which is not there.
27 ^{FN2} As such the regulation can furnish no sustenance to the statute. *Koshland v. Helvering*, 298 U.S. 441,
28 446-447, 56 S.Ct. 767, 769-770, 80 L.Ed. 1268.
29 [U.S. v. Calamaro, 354 U.S. 351, 77 S.Ct. 1138 (U.S. 1957)]

30 YOUR ANSWER: ___ Admit ___ Deny

31 CLARIFICATION: _____

33 **3.4 Assessment authority**

34 For additional information on the subjects covered in this section, please refer to:

- 35 1. Authorities on “assessment”: Family Guardian Cites by Topic
36 <http://famguardian.org/TaxFreedom/CitesByTopic/assessment.htm>
37 2. Why the Government Can’t Lawfully Assess Human Beings With an Income Tax Liability Without Their Consent, Form
38 #05.011
39 <http://sedm.org/Forms/FormIndex.htm>
40 3. Tax Deposition Questions, Form #03.016, Section 13 entitled “26 U.S.C. §6020(b) Substitute For Returns”
41 <http://famguardian.org/TaxFreedom/Forms/Discovery/Deposition/Deposition.htm>

42
43 1. Admit that an involuntary assessment is called a “Substitute For Return (SFR)” by the IRS.

44 YOUR ANSWER: ___ Admit ___ Deny

45 CLARIFICATION: _____

46
47
9 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 2. Admit that [I.R.C. 6020\(b\)](#) is the authority for the IRS to do involuntary assessments.

2 [TITLE 26 > Subtitle F > CHAPTER 61 > Subchapter A > PART II > Subpart D > § 6020](#)
3 [§ 6020. Returns prepared for or executed by Secretary](#)

4 (a) Preparation of return by Secretary

5 *If any person shall fail to make a return required by this title or by regulations prescribed thereunder, but shall*
6 *consent to disclose all information necessary for the preparation thereof, then, and in that case, the Secretary*
7 *may prepare such return, which, being signed by such person, may be received by the Secretary as the return of*
8 *such person.*

9 (b) Execution of return by Secretary

10 (1) Authority of Secretary to execute return

11 *If any person fails to make any return required by any internal revenue law or regulation made thereunder at*
12 *the time prescribed therefor, or makes, willfully or otherwise, a false or fraudulent return, the Secretary shall*
13 *make such return from his own knowledge and from such information as he can obtain through testimony or*
14 *otherwise.*

15 (2) Status of returns

16 *Any return so made and subscribed by the Secretary shall be prima facie good and sufficient for all legal*
17 *purposes.*

18 [SOURCE: http://www.law.cornell.edu/uscode/html/uscode26/usc_sec_26_00006020---000-.html]

19 YOUR ANSWER: ___ Admit ___ Deny

20 CLARIFICATION: _____

23 3. Admit that [Internal Revenue Manual, Section 5.1.11.6.8](#) describes and limits [I.R.C. 6020\(b\)](#) authority of the IRS.

24 *Internal Revenue Manual 5.1.11.6.8 (03-01-2007)*
25 *IRC 6020(b) Authority*

26 1. *The following returns may be prepared, signed and executed by revenue officers under the authority of IRC*
27 *6020(b):*

- 28 A. *Form 940, Employer's Annual Federal Unemployment Tax Return;*
- 29 B. *Form 941, Employer's Quarterly Federal Tax Return;*
- 30 C. *Form 943, Employer's Annual Tax Return for Agricultural Employees;*
- 31 D. *Form 944, Employer's Annual Federal Tax Return;*
- 32 E. *Form 720, Quarterly Federal Excise Tax Return;*
- 33 F. *Form 2290, Heavy Vehicle Use Tax Return;*
- 34 G. *Form CT-1, Employer's Annual Railroad Retirement Tax Return;*
- 35 H. *Form 1065, U.S. Return of Partnership Income.*

36 2. *Pursuant to IRM 1.2.44.5, Delegations of Authority, Order Number 182 (rev. 7), dated 5/5/1997, revenue*
37 *officers GS-09 and above, and Collection Support Function managers GS-09 and above, have the authority to*
38 *prepare and execute returns under IRC 6020(b).*

39 [SOURCE: <http://www.irs.gov/irm/part5/ch01s12.html>]

40 YOUR ANSWER: ___ Admit ___ Deny

41 CLARIFICATION: _____

43 4. Admit that IRS Forms 1040, 1040NR, etc are not listed in IRM 5.1.11.6.8 as forms which are authorized to have SFR's
44 done against them.

45 YOUR ANSWER: ___ Admit ___ Deny

46 CLARIFICATION: _____

1 5. Admit that IRS Form 1040 or 1040NR are the type of form you expect me to file as part of this proceeding.

2
3 YOUR ANSWER: ___ Admit ___ Deny

4
5 CLARIFICATION: _____

6 6. Admit that the IRS admitted in Congressional Research Service Report GAO/GGD-00-60R that “Substitute For
7 Returns” are not “returns”, but simply PROPOSED assessments.

8 *“In its response to this letter, IRS officials indicated that they do not generally prepare actual tax returns.
9 Instead, they said IRS prepares substitute documents that propose assessments. Although IRS and legislation
10 refer to this as the substitute for return program, these officials said that the document does not look like an
11 actual tax return.”*

12 [Congressional Research Service Report GAO/GGD-00-60R;
13 SOURCE: <http://famguardian.org/PublishedAuthors/Govt/GAO/GAO-GGD-00-60R-SFR.pdf>]

14
15 YOUR ANSWER: ___ Admit ___ Deny

16
17 CLARIFICATION: _____

18 7. Admit that the U.S. Supreme Court said that our system of income taxation is based upon voluntary assessment and not
19 “distrain”, meaning enforcement.

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

22
23 YOUR ANSWER: ___ Admit ___ Deny

24
25 CLARIFICATION: _____

26 **3.5 Federal jurisdiction**

27 For additional information on the subjects covered in this section, please refer to:

- 28 1. Federal Jurisdiction, Form #05.018
29 <http://sedm.org/Forms/FormIndex.htm>
30 2. Tax Deposition Questions, Form #03.016
31 <http://famguardian.org/TaxFreedom/Forms/Discovery/Deposition/Deposition.htm>
32

33 1. Admit that the federal government has no legislative jurisdiction within states of the Union according to the U.S.
34 Supreme Court.

35 *“It is no longer open to question that the general [federal] government, unlike the states, *Hammer v.*
36 *Dagenhart*, 247 U.S. 251, 275, 38 S.Ct. 529, 3 A.L.R. 649, Ann.Cas.1918E 724, possesses no inherent power
37 in respect of the internal affairs of the states; and emphatically not with regard to legislation.”
38 [Carter v. Carter Coal Co., 298 U.S. 238, 56 S.Ct. 855 (1936)]*

39
40 *“But very different considerations apply to the internal commerce or domestic trade of the States. Over this
41 commerce and trade Congress has no power of regulation [or taxation] nor any direct control. This power
42 belongs exclusively to the States. No interference within a State is warranted by the Constitution, except such as is strictly incidental to the exercise of powers clearly
43 granted to the legislature. The power to authorize a business within a State is plainly repugnant to the exclusive
44 power of the State over the same subject. It is true that the power of Congress to tax is a very extensive power.
45 It is given in the Constitution, with only one exception and only two qualifications. Congress cannot tax exports,
46 and it must impose direct taxes by the rule of apportionment, and indirect taxes by the rule of uniformity. Thus
47 limited, and thus only, it reaches every subject, and may be exercised at discretion. But, it reaches only existing
48 subjects. Congress cannot authorize a trade or business within a State in order to tax it.”*
49 [License Tax Cases, 72 U.S. 462, 18 L.Ed. 497, 5 Wall. 462, 2 A.F.T.R. 2224 (1866)]

50
51 YOUR ANSWER: ___ Admit ___ Deny

1
2 CLARIFICATION: _____

- 3 2. Admit that Subtitle A of the Internal Revenue Code qualifies as “legislation” with respect to the above court ruling(s).

4 YOUR ANSWER: ___ Admit ___ Deny

5
6 CLARIFICATION: _____

- 7 3. Admit that because the Subtitle A of the Internal Revenue Code qualifies as “legislation”, then its jurisdiction does not
8 include areas internal to states of the Union, excepting possibly federal areas under the exclusive jurisdiction of the
9 United States and coming under [Article 1](#), Section 8, Clause 17 of the Constitution.

10 YOUR ANSWER: ___ Admit ___ Deny

11
12 CLARIFICATION: _____

- 13 4. Admit that the District of Columbia and the territories and possessions of the United States are outside of areas within
14 the exclusive jurisdiction of states of the Union and outside the “[United States](#)” as used in the Constitution.

15 *“As the only judicial power vested in Congress is to create courts whose judges shall hold their offices during
16 good behavior, it necessarily follows that, **if Congress authorizes the creation of courts and the appointment
17 of judges for limited time, it must act independently of the Constitution upon territory which is not part of
18 the United States within the meaning of the Constitution.**”*
19 [*O’Donohue v. United States, 289 U.S. 516, 53 S.Ct. 740 (1933)*]

21 _____
22 *“The earliest case is that of Hepburn v. Ellzey, 2 Cranch, 445, 2 L. ed. 332, in which this court held that, under
23 that clause of the Constitution limiting the jurisdiction of the courts of the United States to controversies
24 between citizens of different states, a citizen of the District of Columbia could not maintain an action in the
25 circuit court of the United States. It was argued that the word ‘state.’ in that connection, was used simply to
26 denote a distinct political society. ‘But,’ said the Chief Justice, **‘as the act of Congress obviously used the word
27 ‘state’ in reference to that term as used in the Constitution, it becomes necessary to inquire whether
28 Columbia is a state in the sense of that instrument. The result of that examination is a conviction that the
29 members of the American confederacy only are the states contemplated in the Constitution . . . and excludes
30 from the term the signification attached to it by writers on the law of nations.’** This case was followed in
31 Barney v. Baltimore, 6 Wall. 280, 18 L. ed. 825, and quite recently in Hooe v. Jamieson, [166 U.S. 395](#), 41 L.
32 ed. 1049, 17 Sup. Ct. Rep. 596. **The same rule was applied to citizens of territories in New Orleans v. Winter,
33 1 Wheat. 91, 4 L. ed. 44, in which an attempt was made to distinguish a territory from the District of
34 Columbia. But it was said that ‘neither of them is a state in the sense in which that term is used in the
35 Constitution.’** In Scott v. Jones, 5 How. 343, 12 L. ed. 181, and in Miners’ Bank v. Iowa ex rel. District
36 Prosecuting Attorney, 12 How. 1, 13 L. ed. 867, it was held that under the judiciary act, permitting writs of
37 error to the supreme court of a state in cases where the validity of a state statute is drawn in question, an act of
38 a territorial legislature was not within the contemplation of Congress.”*
[*Downes v. Bidwell, 182 U.S. 244 (1901), emphasis added*]

39 YOUR ANSWER: ___ Admit ___ Deny

40
41 CLARIFICATION: _____

- 42 5. Admit that the District of Columbia and territories and possessions of the United States are subject to the exclusive
43 legislative jurisdiction of the federal government under Article 1, Section 8, Clause 17 of the Constitution.

44 [United States Constitution, Article 1, Section 8, Clause 17](#)

45 *To exercise exclusive Legislation in all Cases whatsoever, over such District (not exceeding ten Miles square)
46 as may, by Cession of Particular States, and the Acceptance of Congress, become the Seat of the Government of
47 the United States, and to exercise like Authority over all Places purchased by the Consent of the Legislature of
48 the State in which the Same shall be, for the Erection of Forts, Magazines, Arsenals, dock-Yards and other
49 needful Buildings;--And*

50 YOUR ANSWER: ___ Admit ___ Deny

1 CLARIFICATION: _____

2 6. Admit that the term “[United States](#)” defined in [26 U.S.C. §7701](#)(a)(9) and (a)(10) is the geographic region over which
3 Subtitle A of the Internal Revenue Code is defined to apply.

4 [TITLE 26 > Subtitle F > CHAPTER 79 > Sec. 7701. \[Internal Revenue Code\]](#)
5 [Sec. 7701. - Definitions](#)

6 (a)(9) United States

7 The term "United States" when used in a geographical sense includes only the [States](#) and the District of
8 Columbia.

9 (a)(10) State

10 The term "State" shall be construed to include the District of Columbia, where such construction is necessary to
11 carry out provisions of this title.

12
13 YOUR ANSWER: ___ Admit ___ Deny

14 CLARIFICATION: _____

16 7. Admit that there is no other definition of “[United States](#)” applying to subtitle A of the Internal Revenue Code which
17 might modify or enlarge the definition of “[United States](#)” found above.

18 YOUR ANSWER: ___ Admit ___ Deny

19 CLARIFICATION: _____

21 8. Admit the term “[United States](#)” as defined in the Internal Revenue Code Subtitle A to areas under exclusive federal
22 jurisdiction and excludes areas under exclusive state legislative jurisdiction.

23 See: <http://famguardian.org/TaxFreedom/CitesByTopic/UnitedStates.htm>

24
25 YOUR ANSWER: ___ Admit ___ Deny

26
27 CLARIFICATION: _____

28 9. Admit that the rules of statutory construction state the following:

29 *“Expressio unius est exclusio alterius. A maxim of statutory interpretation meaning that **the expression of one**
30 **thing is the exclusion of another.** Burgin v. Forbes, 293 Ky. 456, 169 S.W.2d 321, 325; Newblock v. Bowles,
31 170 Okl. 487, 40 P.2d 1097, 1100. Mention of one thing implies exclusion of another. **When certain persons**
32 **or things are specified in a law, contract, or will, an intention to exclude all others from its operation may be**
33 **inferred.** Under this maxim, if statute specifies one exception to a general rule or assumes to specify the effects
34 of a certain provision, other exceptions or effects are excluded.”*
35 *[Black’s Law Dictionary, Sixth Edition, p. 581]*

36
37 YOUR ANSWER: ___ Admit ___ Deny

38
39 CLARIFICATION: _____

40 10. Admit that the rules of statutory construction above apply to the interpretation of all statutes, including the Internal
41 Revenue Code and all 50 titles of the [U.S. Code](#).

42 YOUR ANSWER: ___ Admit ___ Deny

43
44 CLARIFICATION: _____

1 11. Admit that observing the rules of statutory construction above and the following Supreme Court rulings in the case of
2 the definition of “[United States](#)” defined in [26 U.S.C. §7701](#)(a)(9) and (a)(10) results in excluding states of the Union
3 from the definition of “[United States](#)”.

4 *“It should never be held that Congress intends to supersede or by its legislation suspend the exercise of the*
5 *police powers of the States, even when it may do so, unless its purpose to effect that result is clearly*
6 *manifested.”*
7 *[Reid v. Colorado, [187 U.S. 137](#), 148 (1902)]*
8

9 *“The principle thus applicable has been frequently stated. It is that the Congress may circumscribe its*
10 *regulation and occupy a limited field, and that the intention to supersede the exercise by the State of its*
11 *authority as to matters not covered by the federal legislation is not to be implied unless the Act of Congress*
12 *fairly interpreted is in conflict with the law of the State. See Savage v. Jones, [225 U.S. 501, 533](#).”*
13 *[Atchison, T. & S. F. R. Co. v. Railroad Commission, [283 U.S. 380, 392–393](#) (1931)]*
14

15 *“If Congress is authorized to act in a field, it should manifest its intention clearly. It will not be presumed that a*
16 *federal statute was intended to supersede the exercise of the power of the state unless there is a clear*
17 *manifestation of intention to do so. The exercise of federal supremacy is not lightly to be presumed.”*
18 *[Schwartz v. Texas, [344 U.S. 199](#), 202-203 (1952)]*

19 YOUR ANSWER: ___ Admit ___ Deny

20 CLARIFICATION: _____
21

22 12. Admit that the term “[United States](#)” as used in the Constitution and “[United States](#)” and as used in [26 U.S.C.](#)
23 [§7701](#)(a)(9) and (a)(10) refer to two mutually exclusive geographical areas.

24 *“Foreign Laws: “The laws of a foreign country or sister state. In conflicts of law, the legal principles of*
25 *jurisprudence which are part of the law of a sister state or nation. Foreign laws are additions to our own laws,*
26 *and in that respect are called 'jus receptum'.”*
27 *[Black’s Law Dictionary, Sixth Edition, p. 647]*

28 *“Foreign States: “Nations outside of the United States...Term may also refer to another state; i.e. a sister*
29 *state. The term ‘foreign nations’, ...should be construed to mean all nations and states other than that in which*
30 *the action is brought; and hence, one state of the Union is foreign to another, in that sense.”*
31 *[Black’s Law Dictionary, Sixth Edition, p. 648]*

32 YOUR ANSWER: ___ Admit ___ Deny

33 CLARIFICATION: _____
34

35 13. Admit that IRS Form 1040 (not 1040NR, but 1040) is intended to be submitted only by those who are “citizens or
36 residents” of the “[United States](#)”.

37 *1040A 11327A Each*
38 *U.S. Individual Income Tax Return*

39 *Annual income tax return filed by citizens and residents of the United States. There are separate instructions*
40 *available for this item. The catalog number for the instructions is 12088U.*

41 *W:CAR:MP:FP:F:I Tax Form or Instructions*
42 *[IRS Published Products Catalog, Document 7130, Year, 2003, p. F-15]*

43 14. Admit that those who do not maintain a “[domicile](#)” within the District of Columbia or the territories or possessions of
44 the [United States](#) do not qualify as either “citizens” or “residents” of the “[United States](#)” as used above.

45 ***domicile.** A person’s legal home. That place where a man has his true, fixed, and permanent home and*
46 *principal establishment, and to which whenever he is absent he has the intention of returning. Smith v. Smith,*
47 *206 Pa.Super. 310m 213 A.2d 94. Generally, physical presence within a state and the intention to make it one’s*
48 *home are the requisites of establishing a “domicile” therein. The permanent residence of a person or the place*
49 *to which he intends to return even though he may actually reside elsewhere. A person may have more than one*
50 *residence but only one domicile. The legal domicile of a person is important since it, rather than the actual*

1 residence, often controls the jurisdiction of the taxing authorities and determines where a person may exercise
2 the privilege of voting and other legal rights and privileges. The established, fixed, permanent, or ordinary
3 dwellingplace or place of residence of a person, as distinguished from his temporary and transient, though
4 actual, place of residence. It is his legal residence, as distinguished from his temporary place of abode; or his
5 home, as distinguished from a place to which business or pleasure may temporarily call him. See also Abode;
6 Residence.

7 "Citizenship," "habitation," and "residence" are severally words which in particular cases may mean precisely
8 the same as "domicile," while in other uses may have different meanings.

9 "Residence" signifies living in particular locality while "domicile" means living in that locality with intent to
10 make it a fixed and permanent home. *Schreiner v. Schreiner*, Tex.Civ.App., 502 S.W.2d 840, 843.

11 For purpose of federal diversity jurisdiction, "citizenship" and "domicile" are synonymous. *Hendry v. Masonite*
12 *Corp.*, C.A.Miss., 455 F.2d 955.
13 [Black's Law Dictionary, Sixth Edition, p. 485]

14
15 YOUR ANSWER: ___ Admit ___ Deny

16 CLARIFICATION: _____

- 18 15. Admit that under [4 U.S.C. §72](#), all those exercising a "public office" within the federal government must do so in the
19 District of Columbia and NOT elsewhere.

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

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

24 [http://www4.law.cornell.edu/uscode/html/uscode04/usc_sec_04_00000072---000-.html]

25 YOUR ANSWER (circle one): Admit/Deny

26 CLARIFICATION: _____

- 27 16. Admit that there is no provision of law extending "public offices" to any state of the Union as required by the above
28 positive law statute.

29 YOUR ANSWER (circle one): Admit/Deny

30 CLARIFICATION: _____

- 31 17. Admit that [48 U.S.C. §1612](#)(a) extends the authority of the Secretary of the Treasury to enforce Title 26, Subchapter F
32 to the Virgin Islands.

33 YOUR ANSWER (circle one): Admit/Deny

34 CLARIFICATION: _____

- 35 18. Admit that Congress has not "expressly" extended the authority of the Secretary of the Treasury to any one of the
36 several states of the Union.

37 YOUR ANSWER (circle one): Admit/Deny

38 CLARIFICATION: _____

- 39 19. Admit that there is no statutory authority or [Treasury Order](#) which would "expressly" extend the authority of the
40 Secretary outside the District of Columbia to the several Union states.

41 YOUR ANSWER (circle one): Admit/Deny

1 CLARIFICATION: _____

2 20. Admit that [26 U.S.C. §7621](#) authorizes the President of the United States to establish internal revenue districts.

3 [TITLE 26](#) > [Subtitle F](#) > [CHAPTER 78](#) > [Subchapter B](#) > § 7621
4 [§ 7621. Internal revenue districts](#)

5 (a) *Establishment and alteration*

6 *The President shall establish convenient internal revenue districts for the purpose of administering the internal*
7 *revenue laws. The President may from time to time alter such districts.*

8 (b) *Boundaries*

9 For the purpose mentioned in subsection (a), the President may subdivide any State, or the District of Columbia, or
10 may unite into one district two or more States.

11 YOUR ANSWER (circle one): Admit/Deny

12 CLARIFICATION: _____

13 21. Admit that the United States Constitution forbids the President of the United States to “join or divide” any state of the
14 Union.

15 *United States Constitution*
16 *Article 4, Section 3, Clause 1*

17 *New States may be admitted by the Congress into this Union; but no new State shall be formed or erected within*
18 *the Jurisdiction of any other State; nor any State be formed by the Junction of two or more States, or Parts of*
19 *States, without the Consent of the Legislatures of the States concerned as well as of the Congress.*

20 YOUR ANSWER (circle one): Admit/Deny

21 CLARIFICATION: _____

22 22. Admit that [26 U.S.C. §7621](#) authorizes the President of the United States to join or divide “States”:

23 YOUR ANSWER (circle one): Admit/Deny

24 CLARIFICATION: _____

25 23. Admit that pursuant [26 U.S.C. §7621](#), the President has not authorized any part of any state of the Union to be part of
26 any internal revenue district.

27 YOUR ANSWER (circle one): Admit/Deny

28 CLARIFICATION: _____

29 24. Admit that the “State” referred to in [26 U.S.C. §7621](#) above is a federal “State” defined in 4 U.S.C. §110(d), which is a
30 territory or possession of the United States and includes no part of any state of the Union:

31 [TITLE 4](#) > [CHAPTER 4](#) > § 110
32 [§ 110. Same: definitions](#)

33 *As used in sections 105–109 of this title—*

34 (d) *The term “State” includes any Territory or possession of the United States.*

35 YOUR ANSWER (circle one): Admit/Deny

1 CLARIFICATION: _____

2 25. Admit that the states of the Union are not "territories" of the United States:

3 *Corpus Juris Secundum Legal Encyclopedia*
4 *Territories*
5 *"§1. Definitions, Nature, and Distinctions*

6 *"The word 'territory,' when used to designate a political organization has a distinctive, fixed, and legal*
7 *meaning under the political institutions of the United States, and does not necessarily include all the*
8 *territorial possessions of the United States, but may include only the portions thereof which are organized*
9 *and exercise governmental functions under act of congress."*

10 *"While the term 'territory' is often loosely used, and has even been construed to include municipal subdivisions*
11 *of a territory, and 'territories of the' United States is sometimes used to refer to the entire domain over which*
12 *the United States exercises dominion, the word 'territory,' when used to designate a political organization, has*
13 *a distinctive, fixed, and legal meaning under the political institutions of the United States, and the term*
14 *'territory' or 'territories' does not necessarily include only a portion or the portions thereof which are organized*
15 *and exercise government functions under acts of congress. The term 'territories' has been defined to be*
16 *political subdivisions of the outlying dominion of the United States, and in this sense the term 'territory' is not a*
17 *description of a definite area of land but of a political unit governing and being governed as such. The question*
18 *whether a particular subdivision or entity is a territory is not determined by the particular form of government*
19 *with which it is, more or less temporarily, invested.*

20 **"Territories' or 'territory' as including 'state' or 'states.'" While the term 'territories of**
21 **the' United States may, under certain circumstances, include the states of the Union, as**
22 **used in the federal Constitution and in ordinary acts of congress "territory" does not**
23 **include a foreign state.**

24 *"As used in this title, the term 'territories' generally refers to the political subdivisions created by congress,*
25 *and not within the boundaries of any of the several states."*
26 *[86 C.J.S. [Corpus, Juris, Secundum, Legal Encyclopedia], Territories, §1, Emphasis added]*

27 YOUR ANSWER (circle one): Admit/Deny

28 CLARIFICATION: _____

29 26. Admit that pursuant to [Executive Order 10289](#), the President has delegated to the Secretary of the Treasury the
30 authority to establish internal revenue districts.

31 YOUR ANSWER (circle one): Admit/Deny

32 CLARIFICATION: _____

33 27. Admit that the Secretary of the Treasury has not established internal revenue districts which include any part of any
34 state of the Union that is not federal territory or property.

35 YOUR ANSWER (circle one): Admit/Deny

36 CLARIFICATION: _____

37 28. Admit that pursuant to Treasury Order 150-02, the only existing internal revenue district is the District of Columbia.

38 See: Treasury Order 150-02, SEDM Exhibit #04.014; <http://sedm.org/Exhibits/ExhibitIndex.htm>

39 YOUR ANSWER (circle one): Admit/Deny

40 CLARIFICATION: _____

41 29. Admit that pursuant to [26 U.S.C. §7601](#), the only place the IRS is authorized to search for taxable persons and property
42 is within internal revenue districts created by the President.

1 YOUR ANSWER (circle one): Admit/Deny

2 CLARIFICATION: _____

3 30. Admit that the term “State” as used in the Constitution includes states of the Union and excludes territories and
4 possessions of the United States.

5 *"The earliest case is that of Hepburn v. Ellzey, 2 Cranch, 445, 2 L. ed. 332, in which this court held that, under*
6 *that clause of the Constitution limiting the jurisdiction of the courts of the United States to controversies*
7 *between citizens of different states, a citizen of the District of Columbia could not maintain an action in the*
8 *circuit court of the United States. It was argued that the word 'state,' in that connection, was used simply to*
9 *denote a distinct political society. 'But,' said the Chief Justice, 'as the act of Congress obviously used the word*
10 *'state' in reference to that term as used in the Constitution, it becomes necessary to inquire whether Columbia is*
11 *a state in the sense of that instrument. **The result of that examination is a conviction that the members of the***
12 ***American confederacy only are the states contemplated in the Constitution, . . . and excludes from the term***
13 ***the signification attached to it by writers on the law of nations.'** This case was followed in **Barney v.***
14 ***Baltimore, 6 Wall. 280, 18 L. ed. 825, and quite recently in Hooe v. Jamieson, 166 U.S. 395, 41 L. ed. 1049,***
15 ***17 Sup. Ct. Rep. 596. The same rule was applied to citizens of territories in New Orleans v. Winter, 1 Wheat.***
16 ***91, 4 L. ed. 44, in which an attempt was made to distinguish a territory from the District of Columbia. But it***
17 ***was said that 'neither of them is a state in the sense in which that term is used in the Constitution.'** In **Scott v.***
18 ***Jones, 5 How. 343, 12 L. ed. 181, and in Miners' Bank v. Iowa ex rel. District Prosecuting Attorney, 12 How. 1,***
19 ***13 L. ed. 867, it was held that under the judiciary act, permitting writs of error to the supreme court of a state***
20 ***in cases where the validity of a state statute is drawn in question, an act of a territorial legislature was not***
21 ***within the contemplation of Congress."***
22 *[Downes v. Bidwell, 182 U.S. 244 (1901)]*

23 YOUR ANSWER (circle one): Admit/Deny

24 CLARIFICATION: _____

25 31. Admit that the term “State” as defined in 4 U.S.C. §110(d) refers to a territory or possession of the United States
26 pursuant to the Buck Act.

27 *TITLE 4 - FLAG AND SEAL, SEAT OF GOVERNMENT, AND THE STATES*
28 *CHAPTER 4 - THE STATES*

29 *Sec. 110. Same; definitions*
30 *(d) The term "State" includes any Territory or possession of the United States.*

31 YOUR ANSWER (circle one): Admit/Deny

32 CLARIFICATION: _____

33 32. Admit that the term “State” as used 4 U.S.C. §110(d) is the “State” upon which state income taxes are levied pursuant
34 to the Buck Act, 4 U.S.C. §§105-113.

35 YOUR ANSWER (circle one): Admit/Deny

36 CLARIFICATION: _____

37 33. Admit that states of the Union are foreign, for the purposes of federal legislative jurisdiction, for most federal subject
38 matters.

39 *Foreign States: "Nations outside of the United States...Term may also refer to another state; i.e. a sister state.*
40 *The term "foreign nations", ...should be construed to mean all nations and states other than that in which the*
41 *action is brought; and hence, one state of the Union is foreign to another, in that sense."*
42 *[Black's Law Dictionary, 6th Edition, p. 648]*

43 *Foreign Laws: "The laws of a foreign country or sister state."*
44 *[Black's Law Dictionary, 6th Edition, p. 647]*

1 **Dual citizenship.** *Citizenship in two different **countries.** Status of citizens of United States who reside*
2 *within a state; i.e., person who are born or naturalized in the U.S. are citizens of the U.S. and the state wherein*
3 *they reside.*
4 *[Black's Law Dictionary, Sixth Edition, page 498]*

5 YOUR ANSWER (circle one): Admit/Deny

6 CLARIFICATION: _____

- 7 34. Admit that following are the only subject matters for which the states of the Union are "domestic" for the purposes of
8 federal legislative jurisdiction, pursuant to the authority of the Constitution of the United States of America.
- 9 a. Counterfeiting pursuant to Article 1, Section 8, Clause 5 of the United States Constitution.
 - 10 b. Postal matters pursuant to Article 1, Section 8, Clause 7 of the United States Constitution.
 - 11 c. Foreign commerce pursuant to Article 1, Section 8, Clause 3 of the United States Constitution.
 - 12 d. Treason pursuant to Article 4, Section 2, Clause 2 of the United States Constitution.
 - 13 e. Property, contracts, and franchises of the U.S. Government coming under [Article 4](#), Section 3, Clause 2 of the
14 United States Constitution.
 - 15 f. Jurisdiction over aliens (foreign nationals who are NOT state nationals), which is a foreign relations issue
16 reserved exclusively to the federal and not state government. See *Chae Chan Ping v. U.S.*, 130 U.S. 581
17 (1889).

18 YOUR ANSWER (circle one): Admit/Deny

19 CLARIFICATION: _____

- 20 35. Admit that what makes a human being a statutory "U.S. citizen" under [8 U.S.C. §1401](#) is a legal domicile on federal
21 territory.

22 *"The writers upon the law of nations distinguish between a temporary residence in a foreign country for a*
23 *special purpose and a residence accompanied with an intention to make it a permanent place of abode. The*
24 *latter is styled by Vattel [in his book *The Law of Nations* as] "domicile," which he defines to be "a habitation*
25 *fixed in any place, with an intention of always staying there." **Such a person, says this author, becomes a***
26 ***member of the new society at least as a permanent inhabitant, and is a kind of citizen of the inferior order***
27 ***from the native citizens, but is, nevertheless, united and subject to the society,** without participating in all its*
28 *advantages. **This right of domicile, he continues, is not established unless the person makes sufficiently***
29 ***known his intention of fixing there, either tacitly or by an express declaration.** Vatt. [Law Nat.](#) pp. 92, 93.*
30 ***Grotius nowhere uses the word "domicile," but he also distinguishes between those who stay in a foreign***
31 ***country by the necessity of their affairs, or from any other temporary cause, and those who reside there from***
32 ***a permanent cause. The former he denominates "strangers," and the latter, "subjects."** The rule is thus laid
33 down by Sir Robert Phillimore:*

34 *There is a class of persons which cannot be, strictly speaking, included in either of these denominations of*
35 *naturalized or native citizens, namely, the class of those who have ceased to reside [maintain a domicile] in*
36 *their native country, and have taken up a permanent abode in another. **These are domiciled inhabitants. They***
37 ***have not put on a new citizenship through some formal mode enjoined by the law or the new country. They***
38 ***are de facto, though not de jure, citizens of the country of their [new chosen] domicile.***
39 *[Fong Yue Ting v. United States, [149 U.S. 698](#) (1893)]*

40 YOUR ANSWER (circle one): Admit/Deny

41 CLARIFICATION: _____

- 42 36. Admit that there is no provision of currently enacted law, including "judge-made law" that "expressly extends" beyond
43 the District of Columbia and the Virgin Islands: 1. Enforcement of the Internal Revenue Code by the IRS; 2. "Public
44 offices" needed to conduct said enforcement.

45 YOUR ANSWER (circle one): Admit/Deny

46 CLARIFICATION: _____

1 37. Admit that because there is neither legislative authority to enforce the Internal Revenue Code in states of the Union,
2 nor any Treasury order that establishes internal revenue districts within any state of the Union, that the states of the
3 Union are “foreign” with respect to the jurisdiction of [Internal Revenue Code, Subtitle A](#).

4 YOUR ANSWER (circle one): Admit/Deny

5 CLARIFICATION: _____

6 38. Admit that according to the U.S. Supreme Court, the taxing powers of Congress do not extend into any state of the
7 Union.

8 ***“It is no longer open to question that the general government, unlike the states, [Hammer v. Dagenhart, 247](#)***
9 ***[U.S. 251, 275, 38 S.Ct. 529, 3 A.L.R. 649, Ann.Cas.1918E 724, possesses no inherent power in respect of the](#)***
10 ***internal affairs of the states; and emphatically not with regard to legislation.”***
11 *[Carter v. Carter Coal Co., [298 U.S. 238](#), 56 S.Ct. 855 (1936)]*
12 _____

13 *“The difficulties arising out of our dual form of government and the opportunities for differing opinions*
14 *concerning the relative rights of state and national governments are many; **but for a very long time this court***
15 ***has steadfastly adhered to the doctrine that the taxing power of Congress does not extend to the states or***
16 ***their political subdivisions.** The same basic reasoning which leads to that conclusion, we think, requires like*
17 *limitation upon the power which springs from the bankruptcy clause. [United States v. Butler, supra.](#)”*
18 *[Ashton v. Cameron County Water Improvement District No. 1, 298 U.S. 513, 56 S.Ct. 892 (1936)]*

19 YOUR ANSWER (circle one): Admit/Deny

20 CLARIFICATION: _____

21 **3.6 Who are “taxpayers”**

22 For more information about the subjects covered in this section, refer to the pamphlet below:

<p><i>Who are “Taxpayers” and Who Needs a “Taxpayer Identification Number”, Form #05.013</i> http://sedm.org/Forms/FormIndex.htm</p>
--

23 _____
24 1. Admit that the only married and unmarried individuals mentioned within the Internal Revenue Code Section 1 are
25 “aliens” and therefore “residents” who have income “effectively connected with a “trade or business”.

26 *NORMAL TAXES AND SURTAXES*
27 *DETERMINATION OF TAX LIABILITY*
28 *Tax on Individuals*
29 [Sec. 1.1-1 Income tax on individuals.](#)

30 *(a)(2)(ii) For taxable years beginning after December 31, 1970, the tax imposed by section 1(d), as amended by*
31 *the Tax Reform Act of 1969, shall apply to the income effectively connected with the conduct of a trade or*
32 *business in the United States by a **married alien individual who is a nonresident of the United States for all or***
33 ***part of the taxable year or by a foreign estate or trust.** For such years the tax imposed by section 1(c), as*
34 *amended by such Act, shall apply to the income effectively connected with the conduct of a trade or business in*
35 *the United States by an **unmarried alien individual (other than a surviving spouse) who is a nonresident of***
36 ***the United States for all or part of the taxable year.** See paragraph (b)(2) of section 1.871-8.”*
37 *[26 CFR § 1.1-1(a)(2)(ii)]*
38

39 YOUR ANSWER: ____Admit ____Deny

40 CLARIFICATION: _____

42 2. Admit that there is such a thing as a “nontaxpayer”, and that such a person is characterized by not coming within the
43 jurisdiction of the Internal Revenue Code.

1 *"The revenue laws are a code or system in regulation of tax assessment and collection. They relate to taxpayers,*
2 *and not to nontaxpayers. The latter are without their scope. No procedure is prescribed for nontaxpayers, and*
3 *no attempt is made to annul any of their rights and remedies in due course of law. With them Congress does not*
4 *assume to deal, and they are neither of the subject nor of the object of the revenue laws..."*

5 *"The distinction between persons and things within the scope of the revenue laws and those without is vital."*
6 *[Long v. Rasmussen, 281 F. 236 @ 238(1922)*
7 *http://famguardian.org/TaxFreedom/Forms/Discovery/Deposition/Evidence/Q03.038.pdf]*

8
9 See also: 26 U.S.C. §7426, which mentions "persons other than taxpayers", as well as South Carolina v. Regan, 465
10 U.S. 367 (1984), which mentions "nontaxpayers".

11
12 YOUR ANSWER: ____Admit ____Deny

13
14 CLARIFICATION:_____

15 3. Admit that a "resident" is defined in 26 U.S.C. §7701(b)(1)(B).

16 [26 U.S.C. §7701\(b\)\(1\)\(A\) Resident alien](#)

17 **(b) Definition of resident alien and nonresident alien**

18 *(1) In general*

19 *For purposes of this title (other than subtitle B) -*

20 **(A) Resident alien**

21 *An alien individual shall be treated as a resident of the United States with respect to any calendar year if (and*
22 *only if) such individual meets the requirements of clause (i), (ii), or (iii):*

23 *(i) Lawfully admitted for permanent residence*

24 *Such individual is a lawful permanent resident of the United States at any time during such calendar year.*

25 *(ii) Substantial presence test*

26 *Such individual meets the substantial presence test of paragraph (3).*

27 *(iii) First year election*

28 *Such individual makes the election provided in paragraph (4).*

29
30 YOUR ANSWER: ____Admit ____Deny

31
32 CLARIFICATION:_____

33 4. Admit that the only type of "resident" defined in the Internal Revenue Code are "aliens" as shown above.

34 *Title 26: Internal Revenue*
35 [PART 1—INCOME TAXES](#)
36 [nonresident alien individuals](#)
37 [§ 1.871-2 Determining residence of alien individuals.](#)

38 **(b) Residence defined.**

39 *An alien actually present in the United States who is not a mere transient or sojourner is a resident of the*
40 *United States for purposes of the income tax. **Whether he is a transient is determined by his intentions with***
41 ***regard to the length and nature of his stay.** A mere floating intention, indefinite as to time, to return to another*
42 *country is not sufficient to constitute him a transient. If he lives in the United States and has no definite*
43 *intention as to his stay, he is a resident. **One who comes to the United States for a definite purpose which in***
44 ***its nature may be promptly accomplished is a transient; but, if his purpose is of such a nature that an***
45 ***extended stay may be necessary for its accomplishment, and to that end the alien makes his home temporarily***

1 in the United States, he becomes a resident, though it may be his intention at all times to return to his domicile
2 abroad when the purpose for which he came has been consummated or abandoned. An alien whose stay in the
3 United States is limited to a definite period by the immigration laws is not a resident of the United States within
4 the meaning of this section, in the absence of exceptional circumstances.

5
6 YOUR ANSWER: ___ Admit ___ Deny

7
8 CLARIFICATION: _____

- 9 5. Admit that there is no definition of “resident” anywhere in the I.R.C. or Treasury Regulations which would enlarge or
10 expand upon the definition of “resident” above.

11 YOUR ANSWER: ___ Admit ___ Deny

12
13 CLARIFICATION: _____

- 14 6. Admit that a person cannot simultaneously be a “resident” and a “citizen” at the same time and that these are two
15 mutually exclusive classes of persons.

16 26 CFR §1.1-1(c): Income Tax on individuals

17 (c) Who is a citizen.

18 Every person born or naturalized in the [federal] United States and subject to its [exclusive federal jurisdiction
19 under Article I, Section 8, Clause 17 of the Constitution] jurisdiction is a citizen. For other rules governing the
20 acquisition of citizenship, see chapters 1 and 2 of title III of the Immigration and Nationality Act (8 U.S.C.
21 1401-1459). For rules governing loss of citizenship, see sections 349 to 357, inclusive, of such Act (8 U.S.C.
22 1481-1489), Schneider v. Rusk, (1964) 377 U.S. 163, and Rev. Rul. 70-506, C.B. 1970-2, 1. For rules pertaining
23 to persons who are nationals but not citizens at birth, e.g., a person born in American Samoa, see section 308 of
24 such Act (8 U.S.C. 1408). For special rules applicable to certain expatriates who have lost citizenship with a
25 principal purpose of avoiding certain taxes, see section 877. A foreigner who has filed his declaration of
26 intention of becoming a citizen but who has not yet been admitted to citizenship by a final order of a
27 naturalization court is an alien.

28 [26 CFR §1.1-1(c)]

29
30 YOUR ANSWER: ___ Admit ___ Deny

31
32 CLARIFICATION: _____

- 33 7. Admit that the document entitled “Law of Nations” defines “resident” as follows:

34 “Residents, as distinguished from citizens, are aliens who are permitted to take up a permanent abode in the
35 country. Being bound to the society by reason of their dwelling in it, they are subject to its laws so long as they
36 remain there, and, being protected by it, they must defend it, although they do not enjoy all the rights of citizens.
37 They have only certain privileges which the law, or custom, gives them. Permanent residents are those who
38 have been given the right of perpetual residence. They are a sort of citizen of a less privileged character, and
39 are subject to the society without enjoying all its advantages. Their children succeed to their status; for the
40 right of perpetual residence given them by the State passes to their children.”

41 [The Law of Nations, Vattel, Book I, Chapter 19, Section 213, p. 87, SEDM Exhibit #04.015]

42 [SOURCE: <http://sedm.org/Exhibits/ExhibitIndex.htm>]

43
44 YOUR ANSWER: ___ Admit ___ Deny

45
46 CLARIFICATION: _____

- 47 8. Admit that American Citizens domiciled within states of the Union do not qualify as “residents” within the meaning of
48 26 U.S.C. §7701(b)(1)(B) unless they elect to do so under the provisions of 26 U.S.C. §6013(g).

49 TITLE 26 > Subtitle F > CHAPTER 61 > Subchapter A > PART II > Subpart B > § 6013

50 § 6013. Joint returns of income tax by husband and wife

51 (g) Election to treat nonresident alien individual as resident of the United States

1 (1) In general

2 A nonresident alien individual with respect to whom this subsection is in effect for the taxable year
3 shall be treated as a resident of the United States—

4 (A) for purposes of chapter 1 for all of such taxable year, and

5 (B) for purposes of chapter 24 (relating to wage withholding) for payments of wages
6 made during such taxable year.

7 (2) Individuals with respect to whom this subsection is in effect

8 This subsection shall be in effect with respect to any individual who, at the close of the taxable year
9 for which an election under this subsection was made, was a nonresident alien individual married to
10 a citizen or resident of the United States, if both of them made such election to have the benefits of
11 this subsection apply to them.

12 (3) Duration of election

13 An election under this subsection shall apply to the taxable year for which made and to all
14 subsequent taxable years until terminated under paragraph (4) or (5); except that any such election
15 shall not apply for any taxable year if neither spouse is a citizen or resident of the United States at
16 any time during such year.

17 (4) Termination of election

18 An election under this subsection shall terminate at the earliest of the following times:

19 (A) Revocation by taxpayers

20 If either taxpayer revokes the election, as of the first taxable year for which the last day
21 prescribed by law for filing the return of tax under chapter 1 has not yet occurred.

22 (B) Death

23 In the case of the death of either spouse, as of the beginning of the first taxable year of
24 the spouse who survives following the taxable year in which such death occurred; except
25 that if the spouse who survives is a citizen or resident of the United States who is a
26 surviving spouse entitled to the benefits of section 2, the time provided by this
27 subparagraph shall be as of the close of the last taxable year for which such individual is
28 entitled to the benefits of section 2.

29 (C) Legal separation

30 In the case of the legal separation of the couple under a decree of divorce or of separate
31 maintenance, as of the beginning of the taxable year in which such legal separation
32 occurs.

33 YOUR ANSWER: ____ Admit ____ Deny

34 CLARIFICATION: _____
35

36 9. Admit that the term “continental United States”, for the purposes of citizenship, is defined in [8 CFR §215.1](#) as follows:

37 [Code of Federal Regulations]
38 [Title 8, Volume 1]
39 [Revised as of January 1, 2002]
40 From the U.S. Government Printing Office via GPO Access
41 [CITE: 8CFR215]
42

43 TITLE 8--ALIENS AND NATIONALITY CHAPTER 1--IMMIGRATION AND NATURALIZATION SERVICE,
44 DEPARTMENT OF JUSTICE
45 PART 215--CONTROLS OF ALIENS DEPARTING FROM THE UNITED STATES
46 [Section 215.1: Definitions](#)

1 (f) The term continental United States means the District of Columbia and the several States, except Alaska and
2 Hawaii.

3
4 YOUR ANSWER: ___ Admit ___ Deny

5
6 CLARIFICATION: _____

7 10. Admit that the term “State” within the context of federal citizenship is defined in 8 U.S.C. §1101(a)(36):

8 8 U.S.C. §1101(a)(36): State [Aliens and Nationality]

9 The term “State” includes the District of Columbia, Puerto Rico, Guam, and the Virgin Islands of the United
10 States.

11
12 YOUR ANSWER: ___ Admit ___ Deny

13
14 CLARIFICATION: _____

15 11. Admit that a person born in a state of the Union was not born in a “State” or within the “continental United States”
16 within the meanings defined above.

17 YOUR ANSWER: ___ Admit ___ Deny

18
19 CLARIFICATION: _____

20 12. Admit that there is no other definition of “State” or “continental United States” anywhere in Title 8 of the U.S. Code
21 that might modify or enlarge the meanings of “State” or “continental United States” within the context of citizenship
22 under federal law.

23 YOUR ANSWER: ___ Admit ___ Deny

24
25 CLARIFICATION: _____

26 13. Admit that the term “individual” appearing in the upper left corner of the IRS Form 1040 is defined as follows:

27 26 CFR §1.1441-1 Requirement for the deduction and withholding of tax on payments to foreign persons.

28 (c) Definitions

29 (3) Individual.

30 (i) Alien individual.

31 The term alien individual means an individual who is not a citizen or a national of the United States. See Sec.
32 1.1-1(c).

33 (ii) Nonresident alien individual.

34 The term nonresident alien individual means a person described in section 7701(b)(1)(B), an alien individual
35 who is a resident of a foreign country under the residence article of an income tax treaty and Sec. 301.7701(b)-
36 7(a)(1) of this chapter, or an alien individual who is a resident of Puerto Rico, Guam, the Commonwealth of
37 Northern Mariana Islands, the U.S. Virgin Islands, or American Samoa as determined under Sec. 301.7701(b)-
38 1(d) of this chapter. An alien individual who has made an election under section 6013 (g) or (h) to be treated as
39 a resident of the United States is nevertheless treated as a nonresident alien individual for purposes of
40 withholding under chapter 3 of the Code and the regulations thereunder

41
42 YOUR ANSWER: ___ Admit ___ Deny

43
44 CLARIFICATION: _____

1 14. Admit that there are no other definitions or explanations of the term “individual” within the Internal Revenue Code that
2 would modify or enlarge the definition of “individual” beyond what appears above.

3 YOUR ANSWER: ___ Admit ___ Deny

4
5 CLARIFICATION: _____

6 15. Admit that “Individual Taxpayer Identification Numbers” may ONLY be issued to “aliens” under 26 CFR §301.6109-
7 1(d)(3) and that there is no authority to issue them to “citizens”:

8 [26 CFR §301.6109-1\(d\)\(3\)](#)

9 (3) IRS individual taxpayer identification number –

10 (i) Definition.

11 *The term IRS individual taxpayer identification number means a taxpayer identifying number **issued to an alien***
12 ***individual** by the Internal Revenue Service, upon application, for use in connection with filing requirements*
13 *under this title. **The term IRS individual taxpayer identification number does not refer to a social security***
14 ***number or an account number for use in employment for wages.** For purposes of this section, the term alien*
15 *individual means an individual who is not a citizen or national of the United States.*

16 YOUR ANSWER: ___ Admit ___ Deny

17
18 CLARIFICATION: _____

20 16. Admit that SSN’s may be used VOLUNTARILY under [26 U.S.C. §6109\(d\)](#) as a substitute for a “Taxpayer
21 Identification Number”, but only in the case of “aliens” and not “citizens”:

22 [TITLE 26 > Subtitle F > CHAPTER 61 > Subchapter B > § 6109](#)
23 [§ 6109. Identifying numbers](#)

24 (d) Use of social security account number

25 *The social security account number issued to an individual for purposes of section 205(c)(2)(A) of the Social*
26 *Security Act shall, except as shall otherwise be specified under regulations of the Secretary, be used as the*
27 *identifying number for such individual for purposes of this title.*

28
29 YOUR ANSWER: ___ Admit ___ Deny

30
31 CLARIFICATION: _____

32 17. Admit that Social Security participation is voluntary for those who are *not* engaged in a “trade or business”.

33 YOUR ANSWER: ___ Admit ___ Deny

34
35 CLARIFICATION: _____

36 18. Admit that because Social Security participation is voluntary as described above, then the only people who can
37 lawfully be “Taxpayers” are “aliens”

38 YOUR ANSWER: ___ Admit ___ Deny

39
40 CLARIFICATION: _____

41 19. Admit that a statutory “[U.S. citizen](#)” defined in [8 U.S.C. §1401](#) and who is domiciled abroad in a foreign country is an
42 “alien” with respect to a tax treaty with that foreign country.

43 YOUR ANSWER: ___ Admit ___ Deny

44

1 CLARIFICATION: _____

2 20. Admit that the estate of a “nonresident alien” who has no income “effectively connected with a trade or business” is
3 called a “foreign estate”.

4 [TITLE 26 > Subtitle F > CHAPTER 79 > § 7701](#)
5 [§ 7701. Definitions](#)

6 (31) Foreign estate or trust

7 (A) Foreign estate

8 *The term “foreign estate” means an estate the income of which, from sources without the United States which is*
9 *not effectively connected with the conduct of a trade or business within the United States, is not includible in*
10 *gross income under subtitle A.*

11
12 YOUR ANSWER: ____ Admit ____ Deny

13
14 CLARIFICATION: _____

15 21. Admit that “foreign” in the above context means “not subject to the Internal Revenue Code”.

16 YOUR ANSWER: ____ Admit ____ Deny

17
18 CLARIFICATION: _____

19 22. Admit that persons who are not subject to the Internal Revenue Code are described as “nontaxpayers”.

20 [26 U.S.C. Sec. 7701\(a\)\(14\)](#)

21 *Taxpayer*

22 *The term “taxpayer” means any person subject to any internal revenue tax.*

23
24 *“Revenue Laws relate to taxpayers [officers, employees, and elected officials of the Federal Government] and*
25 *not to non-taxpayers [American Citizens/American Nationals not subject to the exclusive jurisdiction of the*
26 *Federal Government]. The latter are without their scope. No procedures are prescribed for non-taxpayers and*
27 *no attempt is made to annul any of their Rights or Remedies in due course of law. With them[non-taxpayers]*
28 *Congress does not assume to deal and they are neither of the subject nor of the object of federal revenue laws.”*

29 *[Economy Plumbing & Heating v. U.S., 470 F2d 585 (1972)]*

30 *SOURCE: [http://famguardian.org/TaxFreedom/Authorities/Circuit/EconomyPlumbHtgVUnitedStates-](http://famguardian.org/TaxFreedom/Authorities/Circuit/EconomyPlumbHtgVUnitedStates-470F2d585(1972).pdf)*
31 *[470F2d585\(1972\).pdf](http://famguardian.org/TaxFreedom/Authorities/Circuit/EconomyPlumbHtgVUnitedStates-470F2d585(1972).pdf)*

32
33 YOUR ANSWER: ____ Admit ____ Deny

34
35 CLARIFICATION: _____

36 **3.7 Taxable “activities” and “taxable income”**

37 For more information about the subjects covered in this section, refer to the pamphlet below:

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

38
39 1. Admit that the term “trade or business” is defined in [26 U.S.C. §7701\(a\)\(26\)](#).

40 [26 U.S.C. §7701\(a\)\(26\)](#)

"The term 'trade or business' includes the performance of the functions [activities] of a public office."

YOUR ANSWER: ___Admit ___Deny

CLARIFICATION:_____

2. Admit that there are no other definitions or references in I.R.C. Subtitle A relating to a "trade or business" which would change or expand the definition of "trade or business" above to include things other than a "public office".

YOUR ANSWER: ___Admit ___Deny

CLARIFICATION:_____

3. Admit that a "trade or business" is an "activity".

"Trade or Business in the United States"

*Generally, you must be engaged in a trade or business during the tax year to be able to treat income received in that year as effectively connected with that trade or business. **Whether you are engaged in a trade or business in the United States depends on the nature of your activities.** The discussions that follow will help you determine whether you are engaged in a trade or business in the United States."*
[IRS Publication 519, Year 2000, p. 15, emphasis added]

YOUR ANSWER: ___Admit ___Deny

CLARIFICATION:_____

4. Admit that all excise taxes are taxes on privileged or licensed "activities".

"Excise tax. A tax imposed on the performance of an act, the engaging in an occupation, or the enjoyment of a privilege. Rapa v. Haines, Ohio Comm.Pl., 101 N.E.2d 733, 735. A tax on the manufacture, sale, or use of goods or on the carrying on of an occupation or activity or tax on the transfer of property. "
[Black's Law Dictionary, Sixth Edition, p. 563]

YOUR ANSWER: ___Admit ___Deny

CLARIFICATION:_____

5. Admit that holding "public office" in the United States government is an "activity".

YOUR ANSWER: ___Admit ___Deny

CLARIFICATION:_____

6. Admit that those holding "public office" are described as "employees" within 26 CFR §31.3401(c)-1.

26 CFR §31.3401(c)-1 Employee:

"...the term [employee] includes officers and employees, whether elected or appointed, of the United States, a [federal] State, Territory, Puerto Rico or any political subdivision, thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing. The term 'employee' also includes an officer of a corporation."

YOUR ANSWER: ___Admit ___Deny

CLARIFICATION:_____

7. Admit that one cannot be engaged in a "trade or business" WITHOUT ALSO being an "employee" as defined above.

YOUR ANSWER: ___Admit ___Deny

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CLARIFICATION: _____

8. Admit that all revenues collected under the authority of I.R.C. Subtitle A in connection with a “trade or business” are upon the entity engaged in the “activity”, who are identified in [26 U.S.C. §7701\(a\)\(26\)](#) as those holding “public office”.

YOUR ANSWER: ___Admit ___Deny

CLARIFICATION: _____

9. Admit that the decision to hold public office is a voluntary personal decision that cannot be coerced.

YOUR ANSWER: ___Admit ___Deny

CLARIFICATION: _____

10. Admit that because holding public office is “[voluntary](#)”, then all taxes based upon this activity must also be voluntary and avoidable.

YOUR ANSWER: ___Admit ___Deny

CLARIFICATION: _____

11. Admit that the way to legally avoid taxes based on the activity of holding of a public office is to choose not to involve oneself in the activity.

YOUR ANSWER: ___Admit ___Deny

CLARIFICATION: _____

12. Admit that there are no taxable “activities” mentioned anywhere within Subtitle A of the Internal Revenue Code except that of a “trade or business” as defined within [26 U.S.C. §7701\(a\)\(26\)](#).

YOUR ANSWER: ___Admit ___Deny

CLARIFICATION: _____

13. Admit that all taxes falling upon “public officers” are upon the office, and not upon the private person performing the functions of the public office during his off-duty time.

YOUR ANSWER: ___Admit ___Deny

CLARIFICATION: _____

14. Admit that a tax upon a “[public office](#)” rather than directly upon a natural person is an “indirect” rather than a “direct” tax within the meaning of the Constitution Of the United States.

“Direct taxes bear immediately upon persons, upon the possession and enjoyment of rights; indirect taxes are levied upon the happening of an event as an exchange.”
[Knowlton v. Moore, 178 U.S. 41 (1900)]

YOUR ANSWER: ___Admit ___Deny

CLARIFICATION: _____

1 15. Admit that all earnings originating within the “United States” defined in 26 U.S.C. §7701(a)(9) and (a)(10) fall within
2 the classification of a “trade or business” under 26 U.S.C. §864(c)(3).

3 TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter N > PART 1 > § 864
4 §864. Definitions and special rules

5 (c) *Effectively connected income, etc.*

6 (3) *Other income from sources within United States*

7 *All income, gain, or loss from sources within the United States (other than income, gain, or loss to which*
8 *paragraph (2) applies) shall be treated as effectively connected with the conduct of a trade or business within*
9 *the United States.*

10
11 **Income Subject to Tax**

12 *Income from sources outside the United States that is not effectively connected with a trade or business in the*
13 *United States is not taxable if you receive it while you are a nonresident alien. The income is not taxable even if*
14 *you earned it while you were a resident alien or if you became a resident alien or a U.S. citizen after receiving*
15 *it and before the end of the year.*
16 [IRS Publication 519, Year 2000, p. 26]

17 YOUR ANSWER: ___ Admit ___ Deny

18 CLARIFICATION: _____

21 16. Admit that the amount of “taxable income” defined in 26 U.S.C. §863 that a person must include in “gross income”
22 within the meaning of 26 U.S.C. §61 is determined by their earnings from a “trade or business” plus any earnings of
23 “nonresident aliens” coming under 26 U.S.C. §871(a).

24 TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter N > PART 1 > Sec. 863.
25 Sec. 863. - Special rules for determining source

26 (a) *Allocation under regulations*

27 *Items of gross income, expenses, losses, and deductions, other than those specified in sections 861(a) and*
28 *862(a), shall be allocated or apportioned to sources within or without the United States, under regulations*
29 *prescribed by the Secretary. Where items of gross income are separately allocated to sources within the United*
30 *States, there shall be deducted (for the purpose of computing the taxable income therefrom) the expenses,*
31 *losses, and other deductions properly apportioned or allocated thereto and a ratable part of other expenses,*
32 *losses, or other deductions which cannot definitely be allocated to some item or class of gross income. The*
33 *remainder, if any, shall be included in full as taxable income from sources within the United States.*

34 YOUR ANSWER: ___ Admit ___ Deny

35 CLARIFICATION: _____

37 17. Admit that the phrase “from whatever source derived” found in the Sixteenth Amendment \c 7 DOES NOT mean any
38 source, but a SPECIFIC taxable activity within the jurisdiction of the United States.

39 *“The Court has hitherto consistently held that a literal reading of a provision of the Constitution which defeats*
40 *a purpose evident when the instrument is read as a whole, is not to be favored... [and one of the examples they*
41 *give is...]’**From whatever source derived,’ as it is written in the Sixteenth Amendment, does not mean from***
42 ***whatever source derived.** Evans v. Gore, 253 U.S. 245, 40 S.Ct. 550, 11 A.L.R. 519. See, also, Robertson v.*
43 *Baldwin, 165 U.S. 275, 281, 282 S., 17 S.Ct. 326; Gompers v. United States, 233 U.S. 604, 610, 34 S.Ct. 693,*
44 *Ann.Cas.1915D, 1044; Bain Peanut Co. v. Pinson, 282 U.S. 499, 501, 51 S.Ct. 228, 229; United States v.*
45 *Lefkowitz, 285 U.S. 452, 467, 52 S.Ct. 420, 424, 82 A.L.R. 775.”*
46 [Wright v. U.S., 302 U.S. 583 (1938)]

47 YOUR ANSWER: ___ Admit ___ Deny

48 CLARIFICATION: _____

1 18. Admit that only earnings derived from a “trade or business” are includible in “gross income” for the purposes of “self
2 employment”:

3 [TITLE 26](#) > [Subtitle A](#) > [CHAPTER 2](#) > §1402
4 [§1402: Definitions](#)

5 (a) *Net earnings from self-employment*

6 *The term "net earnings from self-employment" means the gross income derived by an individual from any trade
7 or business carried on by such individual, less the deductions allowed by this subtitle which are attributable to
8 such trade or business, plus his distributive share (whether or not distributed) of income or loss described in
9 section 702(a)(8) from any trade or business carried on by a partnership of which he is a member; ...*

10
11 YOUR ANSWER: ____ Admit ____ Deny

12
13 CLARIFICATION: _____

14 19. Admit that earnings from a “foreign employer” by a “nonresident alien” are not considered to be includible in “trade or
15 business” income and therefore not “gross income:

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

18 (b) *Trade or business within the United States*

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

22 (1) *Performance of personal services for foreign employer*

23 *The performance of personal services—*

24 (A) *for a nonresident alien individual, foreign partnership, or foreign corporation, not engaged in trade or*
25 *business within the United States, or*

26 (B) *for an office or place of business maintained in a foreign country or in a possession of the United States by*
27 *an individual who is a citizen or resident of the United States or by a domestic partnership or a domestic*
28 *corporation,*

29
30 YOUR ANSWER: ____ Admit ____ Deny

31
32 CLARIFICATION: _____

33 20. Admit that private businesses in states of the Union that do not have Employer Identification Numbers and who do not
34 do voluntary withholding on their workers qualify as “foreign employers” as described above.

35 [Internal Revenue Manual, Section 5.14.10.2 \(09-30-2004\)](#)
36 [Payroll Deduction Agreements](#)

37 2. **Private employers, states, and political subdivisions are not required to enter into payroll deduction**
38 **agreements.** *Taxpayers should determine whether their employers will accept and process executed agreements*
39 *before agreements are submitted for approval or finalized.*
40 *[SOURCE: <http://www.irs.gov/irm/part5/ch13s10.html>]*

41
42 YOUR ANSWER: ____ Admit ____ Deny

43
44 CLARIFICATION: _____

45 21. Admit that the term “personal services” is limited exclusively to services performed in connection with a “trade or
46 business”.

1 [26 CFR Sec. 1.469-9](#) Rules for certain rental real estate activities.

2 (b)(4) **PERSONAL SERVICES**. **Personal services** means any work performed by an individual in connection
3 with a **trade or business**. However, personal services do not include any work performed by an individual in
4 the individual's capacity as an investor as described in section 1.469-5T(f)(2)(ii).
5

6 [26 U.S.C. §861](#) Income from Sources Within the United States

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

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

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

11 YOUR ANSWER: ___ Admit ___ Deny

12 CLARIFICATION: _____

13
14
15 22. Admit that there is no definition of "personal services" anywhere in the I.R.C. or the Treasury Regulations that would
16 expand the definition of "personal services" beyond that appearing above.

17 YOUR ANSWER: ___ Admit ___ Deny

18 CLARIFICATION: _____

19
20 23. Admit that a nonresident alien with no earnings from a "trade or business" earns no "gross income" as defined in [26](#)
21 [U.S.C. §61](#).

22 [26 CFR § 1.872-2](#) Exclusions from gross income of nonresident alien individuals.

23 (f) *Other exclusions.*

24 **Income which is from sources without[outside] the United States [District of Columbia, see 26 U.S.C.**
25 **§7701(a)(9) and (a)(10)], as determined under the provisions of sections 861 through 863, and the**
26 **regulations thereunder, is not included in the gross income of a nonresident alien individual unless such**
27 **income is effectively connected for the taxable year with the conduct of a trade or business in the United**
28 **States by that individual.** To determine specific exclusions in the case of other items which are from sources
29 within the United States, see the applicable sections of the Code. For special rules under a tax convention for
30 determining the sources of income and for excluding, from gross income, income from sources without the
31 United States which is effectively connected with the conduct of a trade or business in the United States, see the
32 applicable tax convention. For determining which income from sources without the United States is effectively
33 connected with the conduct of a trade or business in the United States, see section 864(c)(4) and §1.864-5.

34 YOUR ANSWER: ___ Admit ___ Deny

35 CLARIFICATION: _____

36 37 **3.8 What is "Included"?**

38 For more information about the subjects covered in this section, refer to the pamphlet below:

39

Meaning of the Words "Includes" and "Including", Form #05.014 http://sedm.org/Forms/FormIndex.htm
--

40 1. Admit that the term "includes" is used in the definition of all of the following words in the Internal Revenue Code:

41 1. "person" in 26 U.S.C. §§6671 and 7343

- 2. "United States" in 26 U.S.C. §7701(a)(9)
- 3. "State" in 26 U.S.C. §7701(a)(10).
- 4. "trade or business" in 26 U.S.C. §7701(a)(26)
- 5. "employee" in 26 U.S.C. §7701(c).

YOUR ANSWER: ___ Admit ___ Deny

CLARIFICATION: _____

2. Admit that the word "includes" is defined as follows in Black's Law Dictionary, Sixth Edition:

"Include. (Lat. *Includere*, to shut in. keep within.) To confine within, hold as an inclosure. Take in, attain, shut up, contain, inclose, comprise, comprehend, embrace, involve. Term may, according to context, express an enlargement and have the meaning of and or in addition to, or merely specify a particular thing already included within general words theretofore used. "Including" within statute is interpreted as a word of enlargement or of illustrative application as well as a word of limitation. *Premier Products Co. v. Cameron*, 240 Or. 123, 400 P.2d 227, 228."
[Black's Law Dictionary, Sixth Edition, p. 763 (1990)]

YOUR ANSWER: ___ Admit ___ Deny

CLARIFICATION: _____

3. Admit that the word "includes" is defined as follows in Treasury Decision 3980:

"(1) To comprise, comprehend, or embrace...(2) To enclose within; contain; confine...But granting that the word 'including' is a term of enlargement, it is clear that it only performs that office by introducing the specific elements constituting the enlargement. It thus, and thus only, enlarges the otherwise more limited, preceding general language...The word 'including' is obviously used in the sense of its synonyms, comprising; comprehending; embracing."
[Treasury Decision 3980, Vol. 29, January-December, 1927, pgs. 64 and 65;
SOURCE: <http://famguardian.org/TaxFreedom/CitesByTopic/includes-TD3980.pdf>]

YOUR ANSWER: ___ Admit ___ Deny

CLARIFICATION: _____

4. Admit that the word "includes" is defined as follows in [26 U.S.C. §7701\(c\)](#) :

[26 U.S.C. Sec. 7701\(c\) INCLUDES AND INCLUDING.](#)

The terms 'include' and 'including' when used in a definition contained in this title shall not be deemed to exclude other things otherwise within the meaning of the term defined."

YOUR ANSWER: ___ Admit ___ Deny

CLARIFICATION: _____

5. Admit that the U.S. Supreme Court has stated that statutory definitions of terms supersede and replace rather than enlarge the common definitions of terms.

"When a statute includes an explicit definition, we must follow that definition, even if it varies from that term's ordinary meaning. *Meese v. Keene*, 481 U.S. 465, 484-485 (1987) ("It is axiomatic that the statutory definition of the term excludes unstated meanings of that term"); *Colautti v. Franklin*, 439 U.S. at 392-393, n. 10 ("As a rule, 'a definition which declares what a term "means" . . . excludes any meaning that is not stated"); *Western Union Telegraph Co. v. Lenroot*, 323 U.S. 490, 502 (1945); *Fox v. Standard Oil Co. of N.J.*, 294 U.S. 87, 95-96 (1935) (Cardozo, J.); see also 2A N. Singer, *Sutherland on Statutes and Statutory Construction* § 47.07, p. 152, and n. 10 (5th ed. 1992) (collecting cases). That is to say, the statute, read "as a whole," post at 998 [530 U.S. 943] (THOMAS, J., dissenting), leads the reader to a definition. That definition does not include the Attorney General's restriction -- "the child up to the head." Its words, "substantial portion," indicate the contrary."
[[Stenberg v. Carhart](#), 530 U.S. 914 (2000)]

1 "It is axiomatic that the statutory definition of the term excludes unstated meanings of that term. *Colautti v.*
2 *Franklin*, [439 U.S. 379](#), 392, and n. 10 (1979). Congress' use of the term "propaganda" in this statute, as indeed
3 in other legislation, has no pejorative connotation.[19] **As judges, it is our duty to [481 U.S. 485] construe**
4 **legislation as it is written, not as it might be read by a layman, or as it might be understood by someone who**
5 **has not even read it.**
6 [*Meese v. Keene*, 481 U.S. 465, 484 (1987)]

7
8 YOUR ANSWER: ___ Admit ___ Deny

9
10 CLARIFICATION: _____

- 11 6. Admit that the rules of statutory construction require that the definitions of words in statutes must prescribe
12 EVERYTHING that is included:

13 "*Expressio unius est exclusio alterius*. A maxim of statutory interpretation meaning that **the expression of one**
14 **thing is the exclusion of another**. *Burgin v. Forbes*, 293 Ky. 456, 169 S.W.2d 321, 325; *Newblock v. Bowles*,
15 170 Okl. 487, 40 P.2d 1097, 1100. Mention of one thing implies exclusion of another. **When certain persons**
16 **or things are specified in a law, contract, or will, an intention to exclude all others from its operation may be**
17 **inferred**. Under this maxim, if statute specifies one exception to a general rule or assumes to specify the effects
18 of a certain provision, other exceptions or effects are excluded."
19 [*Black's Law Dictionary*, Sixth Edition, p. 581]

20
21 YOUR ANSWER: ___ Admit ___ Deny

22
23 CLARIFICATION: _____

- 24 7. Admit that all doubts about the meaning of words MUST be resolved in favor of the person upon which a tax is sought
25 to be laid and NOT in favor of the government:

26 "...if doubt exists as to the construction of a taxing statute, the doubt should be resolved in favor of the
27 taxpayer..."
28 [*Hassett v. Welch*, 303 U.S. 303, pp. 314 - 315, 82 L Ed 858. (1938)]

29
30 "Keeping in mind the well-settled rule that **the citizen is exempt from taxation unless the same is imposed by**
31 **clear and unequivocal language, and that where the construction of a tax law is doubtful, the doubt is to be**
32 **resolved in favor of those upon whom the tax is sought to be laid.**"
33 [*Spreckels Sugar Refining Co. v. McClain*, [192 U.S. 297](#) (1904)]

34 **Additional authorities**: *Gould v. Gould*, 245 U.S. 151, 153 (1917); *Smietanka v. First Trust & Savings Bank*,
35 257 U.S. 602, 606 (1922); *Lucas v. Alexander*, 279 U.S. 573, 577 (1929); *Crooks v. Harrelson*, 282 U.S. 55
36 (1930); *Burnet v. Niagra Falls Brewing Co.*, 282 U.S. 648, 654 (1931); *Miller v. Standard Nut Margarine Co.*,
37 284 U.S. 498, 508 (1932); *Gregory v. Helvering*, 293 U.S. 465, 469 (1935); *Hassett v. Welch*, 303 U.S. 303, 314
38 (1938); *U.S. v. Batchelder*, 442 U.S. 114, 123 (1978); *Security Bank of Minnesota v. CIA*, 994 F.2d 432, 436
39 (CA8 1993).

40
41 YOUR ANSWER: ___ Admit ___ Deny

42
43 CLARIFICATION: _____

- 44 8. Admit that statutes which fail to explicitly describe ALL things which are included in the definition of a word fail to
45 give "reasonable notice" to the affected parties of the conduct expected of them and therefore are "void for vagueness"
46 and violate due process of law:

47 *That the terms of a penal statute creating a new offense must be sufficiently explicit to inform those who are*
48 *subject to it what conduct on their part will render them liable to its penalties is a well-recognized requirement,*
49 *consonant alike with ordinary notions of fair play and the settled rules of law; and a statute which either*
50 *forbids or requires the doing of an act in terms so vague that men of common intelligence must necessarily*
51 *guess at its meaning and differ as to its application violates the first essential of due process of law.*
52 *International Harvester Co. v. Kentucky*, [234 U.S. 216, 221](#), 34 S. Ct. 853; *Collins v. Kentucky*, [234 U.S. 634,](#)
53 [638](#), 34 S. Ct. 924

54 ...

1 [269 U.S. 385, 393] ... The dividing line between what is lawful and unlawful cannot be left to conjecture. The
2 citizen cannot be held to answer charges based upon penal statutes whose mandates are so uncertain that they
3 will reasonably admit of different constructions. A criminal statute cannot rest upon an uncertain foundation.
4 The crime, and the elements constituting it, must be so clearly expressed that the ordinary person can
5 intelligently choose, in advance, what course it is lawful for him to pursue. Penal statutes prohibiting the doing
6 of certain things, and providing a punishment for their violation, should not admit of such a double meaning
7 that the citizen may act upon the one conception of its requirements and the courts upon another.'
8 [Connally vs. General Construction Co., 269 U.S. 385 (1926)]
9

10 "Law fails to meet requirements of due process clause if it is so vague and standardless that it leaves public
11 uncertain as to conduct it prohibits or leaves judges and jurors free to decide, without any legally fixed
12 standards, what is prohibited and what is not in each particular case."
13 [Giaccio v. State of Pennsylvania, 382 U.S. 399; 86 S.Ct. 518 (1966)]
14

15 YOUR ANSWER: ____ Admit ____ Deny

16 CLARIFICATION: _____
17

18 **3.9 What Participation in the "Trade or Business" franchise does to your legal status**

19 For additional information on the subjects covered in this section, please refer to:

- 20 1. *Federal Jurisdiction*, Form #05.018, Sections 3 through 3.6
21 <http://sedm.org/Forms/FormIndex.htm>
22 2. *The "Trade or Business" Scam*, Form #05.001
23 <http://sedm.org/Forms/FormIndex.htm>
24

- 25 1. Admit that the only type of earnings includible as "gross income" on a 1040 return are earnings in connection with a
26 "trade or business".

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

29 (c) Effectively connected income, etc.

30 (3) Other income from sources within United States

31 All income, gain, or loss from sources within the United States (other than income, gain, or loss to which
32 paragraph (2) applies) shall be treated as effectively connected with the conduct of a trade or business within
33 the United States.
34

35 "The Trade or Business Scam"
36 <http://famguardian.org/Subjects/Taxes/Articles/TradeOrBusinessScam.htm>

37 YOUR ANSWER: ____ Admit ____ Deny

38 CLARIFICATION: _____
39

- 40 2. Admit that there is no block on an IRS Form 1040 where a person can write earnings that are *not* derived from a "trade
41 or business"

42 [Click here for IRS Form 1040](#)

43 YOUR ANSWER: ____ Admit ____ Deny

44 CLARIFICATION: _____
45
46

1 3. Admit that the only way for a natural person to indicate earnings that are not connected with a “trade or business” on a
2 tax return is to submit an IRS Form 1040NR.

3 [Click here for IRS Form 1040NR](#)

4
5 YOUR ANSWER: ___ Admit ___ Deny

6
7 CLARIFICATION: _____

8 4. Admit that a person who has no earnings from a “trade or business” would have to file a “zero” for “[gross income](#)” on
9 a 1040 return.

10 YOUR ANSWER: ___ Admit ___ Deny

11
12 CLARIFICATION: _____

13 5. Admit that a person who is a “[nonresident alien](#)” may NOT lawfully elect to declare themselves a “citizen” within the
14 meaning of [8 U.S.C. §1401](#), because they were not born in the “continental United States”.

15 YOUR ANSWER: ___ Admit ___ Deny

16
17 CLARIFICATION: _____

18 6. Admit that a person born in a state of the Union on land not territory of or ceded to the federal government is not a
19 “citizen”, but a “national” under federal law, as described by [8 U.S.C. §1101](#)(a)(21).

20 [Why You Are a “national”, “state national”, and Constitutional but not Statutory Citizen](#)
21 <http://famguardian.org/Subjects/LawAndGovt/Citizenship/WhyANational.pdf>

22
23 YOUR ANSWER: ___ Admit ___ Deny

24
25 CLARIFICATION: _____

26 7. Admit that 26 U.S.C. §6041 is the authority for filing Information Returns under the Internal Revenue Code, such as
27 the IRS Forms W-2 and 1099:

28 [TITLE 26 > Subtitle F > CHAPTER 61 > Subchapter A > PART III > Subpart B > § 6041](#)
29 [§ 6041. Information at source](#)

30 (a) Payments of \$600 or more

31 **All persons engaged in a trade or business and making payment in the course of such trade or business to**
32 **another person**, of rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or
33 other fixed or determinable gains, profits, and income (other than payments to which section [6042 \(a\)\(1\)](#), [6044](#)
34 [\(a\)\(1\)](#), [6047 \(e\)](#), [6049 \(a\)](#), or [6050N \(a\)](#) applies, and other than payments with respect to which a statement is
35 required under the authority of section [6042 \(a\)\(2\)](#), [6044 \(a\)\(2\)](#), or [6045](#)), of \$600 or more in any taxable year,
36 or, in the case of such payments made by the United States, the officers or employees of the United States
37 having information as to such payments and required to make returns in regard thereto by the regulations
38 hereinafter provided for, shall render a true and accurate return to the Secretary, under such regulations and in
39 such form and manner and to such extent as may be prescribed by the Secretary, setting forth the amount of
40 such gains, profits, and income, and the name and address of the recipient of such payment.

41 YOUR ANSWER: ___ Admit ___ Deny

42
43 CLARIFICATION: _____

44 8. Admit that those who have no “trade or business” earnings under [26 U.S.C. §6041](#) above cannot lawfully have an
45 Information Return filed against them.

1 YOUR ANSWER: ___ Admit ___ Deny

2
3 CLARIFICATION: _____

4 9. Admit that the “[United States](#)” is defined as a federal corporation in [28 U.S.C. §3002](#)(15)(A).

5 *United States Code*
6 *TITLE 28 - JUDICIARY AND JUDICIAL PROCEDURE*
7 [PART VI - PARTICULAR PROCEEDINGS](#)
8 [CHAPTER 176 - FEDERAL DEBT COLLECTION PROCEDURE](#)
9 [SUBCHAPTER A - DEFINITIONS AND GENERAL PROVISIONS](#)
10 [Sec. 3002. Definitions](#)

11 (15) “**United States**” means -
12 (A) a **Federal corporation**;
13 (B) an agency, department, commission, board, or other entity of the United States; or
14 (C) an instrumentality of the United States.

15
16 YOUR ANSWER: ___ Admit ___ Deny

17
18 CLARIFICATION: _____

19 10. Admit that a person holding a “public office” in the United States Government is an “officer of a corporation”

20 YOUR ANSWER: ___ Admit ___ Deny

21
22 CLARIFICATION: _____

23 11. Admit that officers of federal corporations and partnerships are the only proper subject of penalties under [26 U.S.C.](#)
24 [§6671](#)(b)

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

27 (b) *Person defined*

28 *The term “person”, as used in this subchapter, includes an officer or employee of a corporation, or a member*
29 *or employee of a partnership, who as such officer, employee, or member is under a duty to perform the act in*
30 *respect of which the violation occurs.*

31
32 YOUR ANSWER: ___ Admit ___ Deny

33
34 CLARIFICATION: _____

35 12. Admit that officers of federal corporations and partnerships are the only proper subject of the criminal provisions of the
36 Internal Revenue Code under [26 U.S.C. §7343](#).

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

39 *The term “person” as used in this chapter [[Chapter 75](#)] includes an officer or employee of a corporation, or a*
40 *member or employee of a partnership, who as such officer, employee, or member is under a duty to perform the*
41 *act in respect of which the violation occurs*

42 *[NOTE: This is the “person” for the purposes of some of the **miscellaneous penalties** under the Internal*
43 *Revenue Code]*

44
45 YOUR ANSWER: ___ Admit ___ Deny

46
47 CLARIFICATION: _____

1 13. Admit that indicating “income” on an IRS Form 1040 that is “effectively connected with a trade or business in the
2 United States” or signing and submitting an IRS Form W-4 creates a presumption with the IRS that the submitter is an
3 officer or instrumentality of a federal corporation called the “United States Government”.

4 [TITLE 26 > Subtitle F > CHAPTER 64 > Subchapter D > PART II > § 6331](#)
5 [§6331. Levy and distraint](#)

6 (a) Authority of Secretary

7 *If any person liable to pay any tax neglects or refuses to pay the same within 10 days after notice and demand,*
8 *it shall be lawful for the Secretary to collect such tax (and such further sum as shall be sufficient to cover the*
9 *expenses of the levy) by levy upon all property and rights to property (except such property as is exempt under*
10 *section 6334) belonging to such person or on which there is a lien provided in this chapter for the payment of*
11 *such tax. **Levy may be made upon the accrued salary or wages of any officer, employee, or elected official, of***
12 ***the United States, the District of Columbia, or any agency or instrumentality of the United States or the***
13 ***District of Columbia, by serving a notice of levy on the employer (as defined in section 3401(d)) of such***
14 ***officer, employee, or elected official.** If the Secretary makes a finding that the collection of such tax is in*
15 *jeopardy, notice and demand for immediate payment of such tax may be made by the Secretary and, upon*
16 *failure or refusal to pay such tax, collection thereof by levy shall be lawful without regard to the 10-day period*
17 *provided in this section.*

18
19 YOUR ANSWER: ___ Admit ___ Deny

20
21 CLARIFICATION: _____

22 14. Admit that the presumption that one is an “officer of a federal corporation” is the basis for why the IRS believes that
23 they can institute penalties against natural persons under the provisions of the Internal Revenue Code.

24 YOUR ANSWER: ___ Admit ___ Deny

25
26 CLARIFICATION: _____

27 15. Admit that only those with income “effectively connected with a trade or business” can claim deductions, apply a
28 graduated rate of tax, or apply for earned income credit.

29 [TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter B](#)
30 *Part VI-Itemized deductions for Individuals and Corporations*
31 [Sec. 162. - Trade or business expenses](#)

32 (a) In general

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

35 (1) a reasonable allowance for salaries or other compensation for [personal services](#) actually rendered;
36 _____

37 [TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter N > PART II > Subpart A > § 871](#)
38 [§ 871. Tax on nonresident alien individuals](#)

39 (b) Income connected with United States business—graduated rate of tax

40 (1) Imposition of tax

41 *A nonresident alien individual engaged in trade or business within the United States during the taxable year*
42 *shall be taxable as provided in section 1 or 55 on his taxable income which is effectively connected with the*
43 *conduct of a trade or business within the United States.*

44 (2) Determination of taxable income

45 *In determining taxable income for purposes of paragraph (1), gross income includes only gross income which is*
46 *effectively connected with the conduct of a trade or business within the United States.*

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[TITLE 26](#) > [Subtitle A](#) > [CHAPTER 1](#) > [Subchapter A](#) > [PART IV](#) > [Subpart C](#) > § 32
[§32. Earned income](#)

(c) *Definitions and special rules*

For purposes of this section—

(1) *Eligible individual*

(E) *Limitation on eligibility of nonresident aliens*

The term "eligible individual" shall not include any individual who is a nonresident [of the United States/District of Columbia] alien individual for any portion of the taxable year unless such individual is treated for such taxable year as a resident of the United States for purposes of this chapter by reason of an election under subsection (g) or (h) of section 6013.

YOUR ANSWER: ___ Admit ___ Deny

CLARIFICATION: _____

16. Admit that at least a “perceived” financial benefit or “privilege” is accepted by availing oneself of any of the above three types of tax reductions.

YOUR ANSWER: ___ Admit ___ Deny

CLARIFICATION: _____

17. Admit that those who are “nontaxpayers” and who do not have any income derived from a “trade or business in the United States” do not need any deductions, earned income credits, or graduated rate of tax to reduce their liability under the I.R.C. to zero, because their taxable income is already “zero”.

YOUR ANSWER: ___ Admit ___ Deny

CLARIFICATION: _____

18. Admit that there is no legal requirement under federal law for financial institutions to prepare “Currency Transaction Reports” (CTRs) upon persons who are not in any way “effectively connected with a trade or business in the United States”.

[31 CFR 103.30\(d\)\(2\) General](#)

*(2) Receipt of currency not in the course of the recipient's **trade or business**. The receipt of currency in excess of \$10,000 by a person other than in the course of the person's **trade or business** is not reportable under 31 U.S.C. 5331.*

Title 31: Money and Finance: Treasury
[PART 103—FINANCIAL RECORDKEEPING AND REPORTING OF CURRENCY AND FOREIGN TRANSACTIONS](#)
[Subpart B—Reports Required To Be Made](#)
[§103.30 Reports relating to currency in excess of \\$10,000 received in a trade or business.](#)

*(11) **Trade or business**. The term trade or business has the same meaning as under [section 162 of title 26, United States Code](#).*

YOUR ANSWER: ___ Admit ___ Deny

CLARIFICATION: _____

1 **4 AFFIRMATION**

2 I declare under penalty of perjury as required under [26 U.S.C. §6065](#) that the answers provided by me to the foregoing
3 questions are true, correct, and complete to the best of my knowledge and ability, so help me God. I also declare that these
4 answers are completely consistent with each other and with my understanding of both the Constitution of the United States,
5 Internal Revenue Code, Treasury Regulations, the Internal Revenue Manual, and the rulings of the Supreme Court but not
6 necessarily lower federal courts.

7 Name (print): _____

8 Signature: _____

9 Date: _____

10 Witness name (print): _____

11 Witness Signature: _____

12 Witness Date: _____