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Introduction

A highly motivated student of the subject should find the information on this page sufficient for purposes of effectively guiding the remainder of their education regarding the "income" tax. Understand that that education will require the seeking out of the actual statutes-in-force, of which the internal revenue code is merely representative. The federal government does not make most of these available on the internet; consequently what will generally be found on this page are excerpts from, and links to, only the code versions of these statutes. Taken paragraph by paragraph, they are more-or-less accurate representations, but their arrangements, headings, and implementing regulations in particular, are highly misleading. The statutes can be found in any decent law library or on the '[Cracking the Code](#) Companion CD'. Those needing or wanting a complete, detailed and periodically updated and expanded presentation of the subject-- along with related issues of law-- all in one handy package should read '[Cracking the Code- The Fascinating Truth About Taxation In America](#)'

Subject to. *Liabile, subordinate, subservient, inferior, obedient to; governed or affected by; provided that; provided; answerable for. Homan v. Employers Reinsurance Corp., 345 Mo. 650, 136 S.W. 2d 289, 302 Black's Law Dictionary*

Internal Revenue Code, Section 7701(a)(14): "Taxpayer: The term 'taxpayer' means any person subject to any internal revenue tax."

"The revenue laws are a code or system in regulation of tax assessment and collection. They relate to taxpayers, and not to nontaxpayers. The latter are without their scope. No procedure is prescribed for nontaxpayers, and no attempt is made to annul any of their rights and remedies in due course of law. With them Congress does not assume to deal, and they are neither of the subject nor of the object of the revenue laws." United States Court of Claims, Economy Plumbing and Heating v. United States, 470 F.2d 585, at 589 (1972)

But, but... I thought EVERYBODY was subject to internal revenue taxes!?!?

A Quick Preview of What You Will Learn Here:

- "Income"-- as the term is used within, and in regard to, the tax code-- has a narrow legal meaning confined to the monetary proceeds from the exercise of federally privileged activities, such as holding or administering a government office, or working in one. If you get any of that, the "income" tax applies. Working at common (private sector) occupations is NOT a privileged activity, and is NOT taxable; and no language to the contrary will be found in the law.
- "Wages" and "self-employment income", as used in connection with any tax statute, form, document, regulation, IRS instruction or publication, etc., are also narrow legal (statutory) terms, meaning remuneration for privileged-based activity, chiefly government employment, and explicitly NOT the proceeds or remuneration from common occupations, which are NOT taxable, and which are explicitly excluded from the law.
- "Employment", "employee", and "trade or business", insofar as those words or phrases are used in connection with any tax statute, form, document, regulation, IRS instruction or

publication, etc., are also narrow legal terms, referring chiefly to government work and workers, and explicitly NOT to private work and workers.

- That these words are narrowly defined, limited legal terms within the context of taxation is never forthrightly acknowledged in any IRS publication, and is, in fact, concealed by every means short of outright declaratory lie.
- Most private-sector companies, faced with instructions from the IRS that they are to do this or that with regard to "wages paid to employees" (which instructions leave to the reader the responsibility for knowing that, as used in such instructions, such terms can have only narrow, legally limited meanings), presume that the terms have the common meanings of the words they mimic. Thus, they require each new hire to sign a document authorizing the withholding of earnings, and each January they report, under penalty of perjury, that they paid "wages" to their workers who, themselves ignorant of the truth, not only do not rebut such erroneous W-2's but transfer the bad information to the "wages" line of a 1040 and then swear to the form's accuracy. (Similar misinformation is associated with 1099's, which will also be discussed).
- Most tax "professionals" of every kind have nice, well-paying jobs solely due to the scope and persistence of this misunderstanding, and furthermore have never read the law themselves, other than as out-of-context, incomplete, and carefully selected and edited excerpts and fragments provided to them by the IRS, whose own well-paid (though fully taxable) role in the system is to get their hands on as many private-sector dollars as possible each year.

Read On...

"There are two distinct classes of men...those who pay taxes and those who receive and live upon taxes." - Thomas Paine

United States Constitution, Article 1, Section 9: *"No capitation, or other direct, Tax shall be laid, unless in Proportion to the Census or Enumeration herein before directed to be taken."*

Adam Smith, in "The Wealth of Nations" (acknowledged by the Founders as the pre-eminent authority regarding economics and taxation), Article IV:

"The taxes which, it is intended, should fall indifferently upon every different species of revenue, are capitation taxes,"... "Capitation taxes, if it is attempted to proportion them to the fortune or revenue of each contributor, become altogether arbitrary. The state of a man's fortune varies from day to day, and without an inquisition more intolerable than any tax, and renewed at least once every year, can only be guessed at."... "Capitation taxes, so far as they are levied upon the lower ranks of people, are direct taxes upon the wages of labour, and are attended with all the inconveniences of such taxes."

Black's Law Dictionary defines "direct tax" as "One which is demanded from the very persons who it is intended or desired should pay it. Indirect taxes are those which are demanded from one person in the expectation and intention that he should indemnify himself at the expense of another". (In other words, if liability for the tax falls on the one from whose resources it is paid, or the tax is unavoidable by that one, it is a direct tax).

The "income" tax is an indirect excise tax on activity associated with the optional exercise of privilege, measured by its proceeds.

If you don't already thoroughly understand this, follow the link below. (Didn't you ever wonder just how you could be required to execute a legal instrument such as a tax return?)

[Cracking the Code](#)

Otherwise, scroll down to proceed to practical matters.

**So, why do taxes keep getting taken out of my paycheck??!!
(And why do we hear about people being punished for not filing tax returns?)**

Because you and the company for which you work have executed documents declaring you either to be a government or territorial "employee"-- receiving privileged, taxable "wages"-- or to be involved in the conduct of a public office!!

What's Coming

What you're going to see below is a lot of tax law. What it will reveal is an elaborate effort to make you identify yourself, or leave un rebutted someone else's identification of you, as a beneficiary of privilege with regard to your otherwise untaxable receipts. This is done so that a portion of them can be withheld from you and made very difficult to recover; and/or to trick you into (voluntarily) self-assessing and legally committing yourself to paying a tax on those that are or are not withheld.

The pretenses and frauds involved are critical to the whole scheme because once you have non-privilege-based money in your possession, it cannot be (involuntarily) taxed away from you. Such a tax would be a direct tax on your property. Of course, it CAN be taxed away if you (and only you) can be persuaded, or intimidated, into voluntarily declaring under penalty of perjury that to the best of your knowledge and belief it was received through an exercise of privilege...

The Keys to Understanding the Puzzle That Follows

- No rule or sanction hinders Congress from deliberately crafting statutes so as to mislead the untutored.
- It is axiomatic (and the law) that terms and phrases within a statute for which definitions are provided DO NOT have their common meanings as used therein.
- *"Inclusio unius est exclusio alterius. The inclusion of one is the exclusion of another. The certain designation of one person is an absolute exclusion of all others. ... This doctrine decrees that where law expressly describes [a] particular situation to which it shall apply, an irrefutable inference must be drawn that what is omitted or excluded was intended to be omitted or excluded."* Black's Law Dictionary, 6th edition.
- An executed document which declares or implies a particular legal status of either its signer or its subject stands as legal evidence of that status and, if un rebutted or uncorrected, establishes enforceable obligations and infirmities.
- The Law means what it says, and says what it means.

(Note: If you experience doubts or confusion as you read the code, ask yourself, "Why is it written like this? Is it written like this because it means what its beneficiaries want me to believe that it means, or is it written like this because it *doesn't* mean what its beneficiaries want me to believe that it means?"

Recognize that it is no coincidence that everywhere in the code Congress would be clearly exceeding its lawful authority if the section meant what it is hoped you will *think* it means, a key *apparent* ambiguity makes an appearance. Suddenly, at such points, we see "includes" in a definition that conveniently fails to mention or comprehend private citizens; or vague, complicated references to those "made liable" similarly shy of inconvenient, clarifying details. Suddenly there will be a confusion of references to other sections and subsections, and elaborate qualifiers and modifiers running hundreds or thousands of words in which the one pertinent element is buried. Keep this in mind, and don't be fooled, as you proceed.)

The "Employment" Withholding Puzzle

(Withholding is to be applied only to receipts of a particular kind, which kind is spelled out in 3401(a) and (c) and FICA deductions only apply to receipts of a particular kind, which kind is spelled out in 3121(a), (b), (e) and (h)).

[To skip to Self-Employment, 1099 and W-9 information, click here.](#)

[Title 26, Subtitle C, Chapter 24, Sec. 3402](#) provides for withholding by employers from the wages of their employees. In the definitions of the terms used in that law, found in [Chapter 24, Subchapter C, Sec. 3401 of Subtitle C](#), one finds that "*wages*" are defined as remuneration for services performed by an "*employee*" (3401(a)), and an "*employee*" is defined thusly :

"For purposes of this chapter, the term "employee" includes an officer, employee, or elected official of the United States, a State, 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" (3401(c)). Period.

If you are a federal or U.S. possessions government worker, or the officer of a U.S. government corporation being remunerated for "services" performed as such ("*...a corporate agency or instrumentality, is one (a) a majority of the stock of which is owned by or on behalf of the United States, or (b) the power to appoint or select a majority of the board of directors of which is exercisable by or on behalf of the United States,...*" ; the Public Salary Tax Act of 1939), your compensation for work is both taxable and subject to mandatory withholding. If you are not one of these things, it is not.

In the FICA portion of the law, Chapter 21 of Subtitle C, "*wages*" upon which the tax is based are defined in [section 3121](#) as remuneration from "*employment*" (3121(a)).

"Employment" is defined as "services" performed for an employer within "the United States" (3121(b)(A)(i)), or performed outside the "United States" if by a citizen or resident of the "United States" and if for an "American employer, as defined in subsection (h)" (3121(b)(B)).

In subsection (h), "*American employers*" are confined to persons who are residents of "*the United States*", corporations organized under the laws of "*the United States*" or a "*State*", as well as the United States government itself (3121(h)).

"State" is defined thusly:

"For purposes of this chapter... The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam and American Samoa" (3121(e)(1)) (Those whose businesses are incorporated under the laws of a union State will note that this definition does not include you. To the best of my knowledge, there are no laws of the United States-- as that term is commonly used-- under which a private business can be incorporated.)

"The United States" is defined thusly:

"For purposes of this chapter-... The term "United States" when used in a geographical sense [Editor's Note: as in "within" or "resident of", etc.] includes the Virgin Islands, American Samoa, Puerto Rico, and Guam" (3121(e)). Period.

If you perform "service" for the federal government; in American Samoa, Guam, Puerto Rico, the Virgin Islands, the District of Columbia, or a federal enclave; or perform "service" for an organization based in any of those places, the pay you receive for such "service" is "income" and is also subject to FICA income taxes. If you have people working for you that meet those criteria, what you pay them is subject to the "employer" versions of those taxes. If your workers don't meet these criteria, "employment" taxes (FICA, FUTA, etc.) don't apply to you.

[On the meaning of "Includes"](#)

For a much more in-depth study of "employment" tax issues, read 'Withholding The Truth', 'Lies, Damned Lies, And W-2's', 'W-4's- The Blind Leading The Blind Down A Primrose Path' and 'Feeding The Hand That Bites You' in ['Cracking the Code'](#)

The Tricks ("W" is for Weapon)

(Businesses are told that if they have "employees", pay "wages" or are engaged in a "trade or business" then they must do various things, such as demand W-4's and withhold; deduct and/or pay FICA and FUTA taxes; and issue W-2s and 1099's. They are not told about the quote marks around these terms. The object of W-2's, W-4's, W-9's and 1099's is to create documentary evidence that those in regard to whom they are created are beneficiaries of taxable privilege such as government or territorial workers (or contractors).

The "wages" of a federal or U.S. possessions government "employee" are subject to mandatory withholding and the associated filing of a W-4 (and are taxable); and private-sector compensation is not. However, if whoever you work for has such a form on file (even without any other document or presumption coming into play, and even if you were coerced or tricked into its execution), it will be presumed that you are-- or, at least, have chosen to declare yourself-- a recipient of taxable, public-sector money.

(What really happened, of course, is that you executed the form prospectively, in anticipation of some possible liability arising during the year; or so as to have instructions on file with Human Resources should your job suddenly become connected with a "trade or business". Or perhaps you executed the form under duress. Any subsequent characterization of you as an "employee" or your pay as "wages" is entirely the doing of whoever is paying you, who was also, come to think of it, the one who told you you had to fill out a W-4 in the first place, and that they were going to withhold from you whether you did so or not-- and at a much higher rate if you didn't.)

Obviously, you can't make yourself a federal employee by your own signature, any more than you can make yourself a Major League pitcher that way. But you can create a document which will be used to defend your boss from criminal theft-by-conversion charges for his cooperation with the IRS in seizing a big chunk of your money each pay period.

Because an agreement between a non-"employee" and a non-"employer" regarding withholding is neither regulated nor required, it can be ended at any time by the simple withdrawal of any implied or explicit permission. (Filing a W-4 "Exempt" is not a proper strategy. If one are not among the statutory subjects of withholding, one can no more claim exemption from it than can one's grandmother from the draft: she is not exempt-- she is not subject in the first place.) Here is what such a withdrawal might look like:

TERMINATION OF AUTHORITY AND/OR AGREEMENT TO WITHHOLD

_____(Your Company)_____ is notified hereby that I, _____(Your Name)_____, am declaring ended and withdrawn as of this date, _____(Today's Date)_____, any and all authorization and/or agreement for the withholding of any portion of compensation owed me for services rendered howsoever such authorization and/or agreement may have been conveyed, executed, or implied at any time.

_____ / ____ / _____

FURTHERMORE...

Regardless of whether withholding is successfully stopped, unless one challenges the information on a W-2 submitted by one's private-sector employer, any compensation listed on that form will stand sworn as taxable "[wages as defined in section 3401\(a\)](#)" paid. (Obviously, it's better to stop them being sent at all if withholding is not taking place, or to see to it that they contain accurate "wage" information, if it continues). Happily, the IRS publishes a convenient form, [Form 4852](#), for the specific purpose of correcting [rebutting] erroneous W-2's sent in by an employer (*but, again, you're far better off if they don't get sent at all*).

It will be interesting to some that when an employer signs a W-3 (by which W-2s are transmitted to the IRS) they are swearing out an *affidavit declaring under penalties of perjury* that the compensation listed on the W-2 is "wages" as defined in Sections 3121(a) and 3401(a), at the risk of a \$100 penalty per incorrect W-2 plus liability for civil damages to each employee. (See the Privacy Act notice on pages 25 and 26 and the Penalties section on page 11 of the IRS ["Instructions for Forms W-2 and W-3"](#)).

The informed worker might want to make a point of providing the appropriate individual in their company with the details of the law in order to bring the perjury risk fully into play with regard to the false W-2 production.

The Self-Employed, 1099's, W-9's etc.

Those who are self-employed will want to note that the definition of self-employment 'income', found at [Section 1402\(b\) of Chapter 2, Subtitle A](#), is: "...the net earnings from self-employment derived by an individual...". "Net earnings from self-employment", found at [Section 1402\(a\)](#) of that same chapter, is: "the gross income derived by an individual from any trade or business...", and "trade or business" is defined in [Section 7701\(26\), Chapter 79 of Subtitle F](#) as follows: "The term "trade or business" includes the performance of the functions of a public office". (There is a slightly modified definition of "trade or business" at 1402(c) which has the same ultimate meaning, though in a more complicated form.) A form 1099 Misc asks a payer to list all payments made in the course of their "trade or business", pursuant to [Section 6041A of Title 26, Subtitle F, Chapter 61, Subchapter A, Part III, Subpart B](#). Such a form, if sent in by a payer and not challenged and rebutted by the payee, will leave the impression (and legal presumption) that the payee received 'income' connected with 'the performance of the functions of a public office'. Go figure!

A [Form W-9](#) is frequently presented to the self-employed, but inappropriately. It is intended to provide an identifying number to a payer who is required under the code to file an information return (Form 1099, etc.) with respect to payments made in the course of their "trade or business"

([click here for the details on such requirements](#)). Thus, a W-9 should only be completed by one who is receiving such government payments. Simply providing a number leaves the responsibility for making such determinations with the payer. Signing a form W-9, however, is arguably an affirmative declaration of the truth of these things (and that one is a "U.S. person"); happily, the form's instructions indicate that signing is not necessary except under very limited conditions.

Those encountering stubborn difficulties in this regard with payors might want to consider striking the "I am a U.S. person" line and replacing it with "I am a [name your state] citizen"; and the addition of language such as, "Executed solely to declare my belief that payments made to the named entity are not subject to withholding (or whatever is appropriate). No declaration, admission or conclusion as to any other matter is to be inferred from the execution or submission of this instrument", might be a good idea, as well.

For a much more in-depth study of self-employment issues, read 'Crafting A Trade Or Business Plan: A Guide For The Self-Employed' in '[Cracking the Code](#)'

Even if you are a not a federal government or U.S. territorial worker, you will be presumed to have voluntarily requested withholding by executing a W-4 unless you rebut such a presumption either by withdrawal as suggested above (or preemptively-- as explained later); and you will be considered to *be* (or have been) a government or U.S. territorial worker to the extent that your employer or client claims to have paid you "wages" or payments in the course of their "trade or business" on a W-2 or 1099 that stands unrebutted.

Regarding Refunds

Everyone will be pleased to know that at [Section 6401 of Title 26, Subtitle F, Chapter 65, Subchapter A](#), we are reassured that,

(c) Rule where no tax liability

An amount paid as tax shall not be considered not to constitute an overpayment solely by reason of the fact that there was no tax liability in respect of which such amount was paid.

In the following [Section 6402](#), the Secretary is directed to refund overpayments, after deducting for past-due support payments or debts to various governments.

[Section 6414](#) of the same portion of the code establishes (more-or-less clearly) that such refunds of withheld money are to be made to the person from whom the money was withheld, rather than to the one doing the withholding, and the associated regulations ([26 CFR 301.6402-3\(a\)\(1\),\(2\) and \(5\)](#), and [301.6402-4](#)) indicate that a 1040 or, if necessary, a 1040x, is the appropriate form on which to claim such a refund. The various state governments have procedures for refunds as well, and their tax schemes are basically just cruder versions of the federal one.

HOWEVER,

As previously noted, seeking a refund requires rebutting any false information about your receipts submitted (or implied) by you or anyone else.

For an in-depth discussion of this and related issues, read 'About 1040's, And Claiming Refunds' in '[Cracking the Code](#)'

Note: When discussing these matters with a "tax professional" or IRS staffer, don't use or allow the use of the words "employee", "income", "employer", "wages" etc., or you'll quickly be either misled

or drawn into a "Who's on first" routine. Use 'worker', 'workplace', 'boss', 'receipts', or other common words not custom-defined within the code. Those of you encouraging the people you work for to abide by the law should explain this issue thoroughly before suggesting that they contact an attorney or the IRS.

Finally, always remember...

"...a statute which either forbids or requires the doing of an act in terms so vague that men of common intelligence must necessarily guess at its meaning and differ as to its application violates the first essential of due process of law." United States Supreme Court, Connally v. General Const. Co., 269 U.S. 385 (1926)

A Smoking Gun To Help Get You Out Of The Box

Read the following IRC section and related regulations:

Title 26, section [6011](#)

(b) Identification of Taxpayer

The Secretary is authorized to require such information with respect to persons subject to the taxes imposed by chapter 21 or chapter 24 as is necessary or helpful in securing proper identification of such persons.

§ [31.6011\(b\)-2](#) Employees' account numbers.

(a) Requirement of application -- (1) In general -- (i) ...

(ii) On or after November 1, 1962. Every employee who on any day after October 31, 1962, is in employment for wages which are subject to the taxes imposed by the Federal Insurance Contributions Act or which are subject to the withholding of income tax from wages under section 3402 but who prior to such day has neither secured an account number nor made application therefore, shall make an application on Form SS-5 for an account number.

Note that per this regulation a SS number is REQUIRED for every "employee in employment for wages" or subject to withholding (an SS number is what a Form SS-5 is for). (The use of such qualifiers is enough to make the point by itself-- if "employee" means what the IRS wants you to think it does, paragraph (ii) above would just say, "Every employee receiving wages who on any day after October 31, 1962, has neither secured an account number nor made application therefore, shall make an application on Form SS-5 for an account number." But read on...)

Now read what the Social Security Administration has to say about having a social security number and working:

"The Social Security Act does not require a person to have an SSN to live and work in the United States, nor does it require an SSN simply for the purpose of having one. However, if someone works without an SSN, we cannot properly credit the earnings for the work performed." (They don't post this data for download, but will send it as a response by mail to anyone who asks).

Furthermore, [26 CFR 301.6109-1](#) Identifying Numbers, subparagraph (d) *Obtaining a taxpayer identifying number-- (1) Social security number* says it this way:

"...Individuals who are ineligible for or do not wish to participate in the benefits of the social security program shall nevertheless obtain a social security number if they are required to furnish such a number pursuant to paragraph (b) of this section." (For more on this portion of the code, and the requirements of "paragraph (b)", [click here](#)).

Clearly, the law is instructing us that one doesn't need a number to be a worker (and get paid for it), but one does need one to be an "employee" or to receive "wages"-- **because they're two different things!**

Ask your favorite tax attorney, accountant, or Human Resources person if they've ever actually read the code.

What Happens When a 1040 is Executed

The IRS has the authority to assess taxes (for someone, about whom they have an information return claiming "income" was received by that person, who does not do it themselves), but not to definitively determine how much "income" anyone has received (unless it was paid by the government). That gets done by each person for themselves when executing a 1040 or similar form. (Forms submitted by others alleging payment of "income" amount to prima facie evidence, but are not conclusive). If someone completes such a form and declares and swears to the receipt of x dollars of "income", they are also expected to refer to the handy tables provided and assess themselves accordingly. That is the "voluntary self-assessment" about which we have all heard so much. Or, since a liability has been created by such a declaration of "taxable income" received, the assessment can be done by the government.

It is important to recognize the distinction between the two parts of this process. An assessment is merely the calculation and imposition of a rate of tax to something previously established by the (consequently) liable party as subject to the tax. It is not the making of, or declaring, any thing (or activity) to be so subject. Again, that can only be done by each person for themselves, either by an active declaration, or by letting stand un rebutted someone else's declaration.

Assess

1: to determine the rate or amount of (as a tax)

2 a: to impose (as a tax) according to an established rate

b: to subject to a tax, charge, or levy

Example: each property owner was assessed an additional five dollars

Merriam-Webster's Dictionary of Law ©1996.

In other words, an assessment determines (or demands) the amount of tax owed on any given volume of taxable object. It does not determine what that volume is.

However, the IRS will rely on the information return (W-2 and 1099) allegations of others as to someone's receipts to *assert* that such a person had "income" in some particular volume unless that person attests to the contrary through, for instance, an accurate listing and computation on a 1040 accompanied by documents like 4852's and corrected 1099's. (4852's have been explained earlier; 1099's all come equipped with a handy little checkbox at the top of the form to indicate "corrected" when someone has erroneously described a payment as connected with a "trade or business" and the recipient has adjusted the dollar total to an accurate figure on a copy for submission with their 1040).

[Sec. 6201.](#) - Assessment authority*(d) Required reasonable verification of information returns*

In any court proceeding, if a taxpayer asserts a reasonable dispute with respect to any item of income reported on an information return filed with the Secretary under subpart B or C of part III of subchapter A of chapter 61 by a third party and the taxpayer has fully cooperated with the Secretary (including providing, within a reasonable period of time, access to and inspection of all witnesses, information, and documents within the control of the taxpayer as reasonably requested by the Secretary), the Secretary shall have the burden of producing reasonable and probative information concerning such deficiency in addition to such information return.

TITLE 26 > Subtitle F > CHAPTER 61 > Subchapter A > PART III

PART III - INFORMATION RETURNS

[Subpart B](#) Information Concerning Transactions With Other Persons

[Subpart C](#) Information Regarding Wages Paid Employees

Accuracy as to the character of one's receipts on a 1040 is therefore very important. The 1040 is how someone NOT specifically "made liable" in the law typically becomes liable.

(A worthwhile discussion of just who is and who is not a "taxpayer" is too involved for this venue. Suffice it to say that if one has a tax liability one is a "taxpayer". On the face of it, that might suggest that section 6201 is of no benefit to one without a liability.

However, as the scheme often tries to assert the existence of liability whether a legal foundation for such an assertions exists or not, "nontaxpayers" might conceivably find themselves obliged to fight the matter out. In such a case, 6201 provides an interesting opportunity for legal judo. Its provisions are either available to you, or the court is declaring you to be a "nontaxpayer". Invoking the section while stipulating that no admission as to status is being made thereby should prove highly beneficial under such circumstances.)

For an in-depth analysis of this and related matters, read 'About 1040's, And Claiming Refunds' in '[Cracking the Code](#)'.

Note: Always remember that any regulations related to a statute are subordinate to the statute, just as all statutes are subordinate to the Constitution. Regulations cannot exceed the authority provided by the statute. Regulations *can* fall short of that authority, and therefore be to a citizen's advantage, because one need do no more than the regulations require to satisfy one's legal duty, even if the statute requires more. But one can never be required to do more or other than the statute provides. Citations of statutes will be in the form of either __ (title number) USC __ (section number) if the Code version has been enacted into positive law, or __ Stat. __ if not; those of regulations will be in the form of __ (title number) CFR __ (section number). I would not trust the work of any advisor or assistant who ever cites a regulation without including the statute to which it is subordinate.

"...we cannot but regard this Treasury Regulation as no more than an attempted addition to the statute of something which is not there. [12](#) As such the regulation can furnish no sustenance to the statute. *Koshland v. Helvering*, [298 U.S. 441, 446-447](#)" UNITED STATES v. CALAMARO, 354 U.S. 351 (1957)

How much health insurance for your family, or school tuition for your kids, or vacation time to share with your loved ones could you afford with 20, 30, or even 40% more of YOUR OWN MONEY staying in your hands every year? What small business could you launch; what fulfilling hobby, or charity work, or second career could you take up? How much could you save for your own retirement or to pass along to your kids?

The following statement is an example of what might be attached to a W-4 which is being improperly and coercively demanded by a company not comfortable with acknowledging that withholding for payments not related to the benefits of federal privilege, is inappropriate (if not criminal). It is to pre-emptively rebut any erroneous presumptions (and help raise the consciousness of the company). You have my permission to use it, if you wish, and to post it on other websites-- as long as the link at the bottom is included and remains active.

W-4 Qualifying Statement

The Form W-4 to which this statement is attached is executed in order to provide for appropriate withholding if and when, and only if and when, I am actually paid "wages", as defined in 26 USC 3401 and 3121, by the entity to which it is furnished-- the legal responsibility for the determination of which rests with that entity. The form is executed under the good-faith presumption that no law precludes its execution or provides for the impairment of any right or other legal infirmity of any kind as a consequence of its execution by one who is not an officer, employee, or elected official of the United States, a State, or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing or an officer of a federally taxable corporation; or as subject to the qualifications specified in this statement. In the event that such preclusion, impairment or infirmity *is* provided for by law, the Form W-4, and my signature thereon, are hereby declared rescinded, null, and void.

My execution of the Form W-4 to which this statement is attached is not to be construed as authorizing the withholding of anything of or from what is owed to me which does not constitute "wages" as defined at 26 USC 3401 and 3121; nor as my accepting, acknowledging, declaring or establishing my status as an officer, employee, or elected official of the United States, a State, or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing or as an officer of a federally taxable corporation; or that of the entity to which it is submitted as an "American employer" as relevantly defined at 26 USC 3121(h).

This statement constitutes formal notice that any assertions, explicit or implied, by the entity to which this form and statement are submitted that I have at any particular time acquired the status of an officer, employee, or elected official of the United States, a State, or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing or of an officer of a federally taxable corporation; or that that entity has acquired the status of an "American employer" as relevantly defined at 26 USC 3121(h) will be subject to challenge as provided for by law.

(Signed and dated, and witnessed and notarized if you wish)

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Note: It is important to remember, with regard to issues of law, that due to the American adversarial legal system unless a party in a contest cites particular cases, rulings or issues (even those of the Supreme Court), or presents certain arguments (even those that are obvious or common sense), those rulings or arguments will not be considered. Judges will not introduce on their own anything not presented to them by a party in the case, and often are oblivious to the existence of even the most pertinent Supreme Court jurisprudence. Certainly many of them have never read the entire IRC.

[A Note regarding "Notice of Levy"](#)[A Note Regarding "UCC", "861", "14th Amendment", "Adhesion Contracts" etc. arguments](#)**Articles**[Modern Myths, Ancient Evils](#)[Of Words and Deeds](#)[The Tax Cheats](#)[Converting Fictions To Truths](#)[A Small Technical Issue...](#)[Senator Carl Levin's List of Income Categories](#)[VISIT THE LIBERTY STORE!!](#)

"If ye love wealth greater than liberty, the tranquility of servitude greater than the animating contest for freedom, go home from us in peace. We seek not your counsel, nor your arms. Crouch down and lick the hand that feeds you. May your chains set lightly upon you; and may posterity forget that ye were our countrymen".

-Samuel Adams

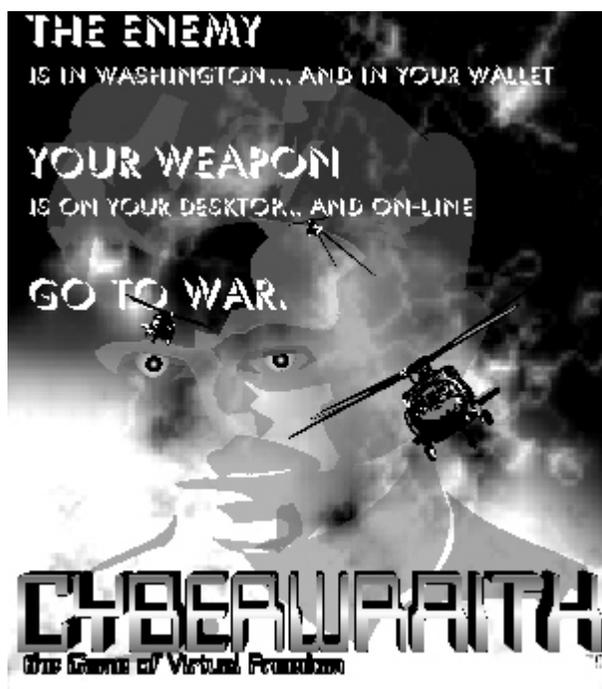
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Afterword

Now that it has been deciphered, and revealed to be benign as written, it falls to all of us to actively and strenuously defeat any attempt by the tax beneficiary crowd to replace the actual current "income" tax structure-- which they are coming to recognize as fatally compromised, for their purposes-- with an alternative, such as a national sales tax or value-added tax. Such alternatives-- all of which would seek to maintain spending at or near current levels-- would quickly be riddled with exceptions, special-interest pay-offs and so forth; as well as the subsidies and associated means-testing necessary to forestall what would otherwise be an intolerable burden for the poor. They would quickly become indistinguishable from the current regime in complexity, bureaucracy, and injustice. And, depending upon how such an alternative was instituted, we might never be rid of it.

It is important to bear in mind that a broad-based and inescapable federal sales tax or VAT would be just as much a direct tax as would be a general tax on receipts, and thus just as unconstitutional, without an amendment. However, having successfully held off the demands of Americans for institutional compliance with the law long enough for the citizenry to have reached an, "Anything but this!" attitude toward the current regime, there is every danger that the general public would take the position that if a Constitutional amendment would rid us of that current regime, then so be it. Of course, legislative reform is not needed to do away with those lawless aspects of the current regime that distress the citizenry; a reformed system would be no better than the current one when all was said and done; and if such a reform was accomplished by means of an amendment, what has been practiced upon the people in effective defiance of the fundamental law-- to their ruin, dismay, and righteous anger-- will have become "lawful" (meaning: vastly more difficult to reason against, despite the fact that even by means of a Constitutional amendment, a people cannot lawfully alienate from themselves a fundamental right). Thus, calls for such reforms are merely efforts to better secure the benefits enjoyed by clients of the state under the current mis-administration of the existing law.

Oppose all calls for such 'reforms' vigorously, and educate EVERYONE regarding the truth about the 'income' tax, so that they will, too.



One last time,
[Cracking the Code](#)

My best wishes are with you all.



"Resistance to Tyrants is Obedience to God"
-Thomas Jefferson

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