

The Crux of Federal “Taxation”

A circular of enlightenment

Part 1 of 2

Focus: *Our National Republican Founding*

If you are familiar with the Tax Honesty Movement (THM), then you are as well most likely aware of at least a few of the arguments strenuously debated by various factions of the THM and that many of those arguments have consistently been deemed legally ‘frivolous’ by various (*common law*) court rulings e.g., that the federal income tax is unconstitutional, that it applies only to federal employees and instrumentalities or to those working within “federal zones” or that it does not apply to sovereign citizens, that the XVI [16th] Amendment was never properly ratified, that the IRS is not an agency of the federal government, the “861” argument, and so on. Indeed there are many complexities embedded within the myriad of existing contentions concerning the present day structuring of the Internal Revenue Code (IRC). The purpose of this two-part circular is to explore the fundamental distinctions between contractual “pay for labor” and federal ‘income taxes’, so far as the correct and legal application of the Internal Revenue Code (26 U.S.C.) is concerned.

To better illustrate, you of course already realize that until such time that you are the owner or operator of a motor vehicle then your State’s ‘Vehicle Codes’ do not directly pertain to you; and that if you are a citizen of the United States of America then you need not concern yourself with the legalities of naturalization or immigration; and that if you do not “open carry” an unloaded firearm or “conceal carry” (CCW) a loaded firearm, then you do not need to worry about complying with your State’s ‘Penal Codes’, so far as such statutes pertain to those choosing to exercise their II Amendment rights while in public. More directly, if you are not the subject of the Internal Revenue Code for the purposes of having engaged in specific (taxable) events or activities then you would not be legally liable to any degree under federal tax revenue law. The same as if you are not the owner or operator of a motor vehicle, are a citizen of the United States of America, or are not a firearms owner... because such relational laws would have no jurisdictional relevance over you otherwise.

Ergo, only an angler or hunter, engaged in qualifying activities need concern themselves with State ‘Fish and Game Codes’, regardless if they possess a valid fishing/gaming license or not. Only a captain of a seaworthy vessel need concern themselves with ‘Harbor and Navigation Codes’, etc. Hence, manufacturing positional arguments of any caliber is entirely unnecessary and serves only as a distraction, a proverbial “red-herring” at best.

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Specifically, this two-part circular will explore taxation as it directly pertains to and affects the financial earnings (i.e., sustenance based capital) that you receive as a contracted (respectively even) exchange for you providing another individual or a business with your own personal time, tools, innovation, creativity, skilled craft, toiling, and/or knowledge. Prepare yourself for a journey back into time, as we will revisit the original intentions of our Nation’s Forefathers, so far as “taxation” is concerned. Rather than just simplistically following the insinuations beset on behalf of the U.S. Treasury or IRS.

A brief intermission about our Nation’s “republican” founding...

The foundation of our Nation derives from a declaratory charter entitled the ‘Declaration of Independence’, ratified on July 4th, 1776. Within this document our Forefathers officially decreed America’s separation from the tyrannical grasp of the British Empire for a myriad of reasons. Contrary to present day misconceptions, the Declaration of Independence is a legally relevant document.

The United States of America was originally founded as a ‘confederacy’ under the ‘Articles of Confederation’ in 1777 (ratified in 1781). The Articles of Confederation within its Preamble created a “*perpetual union*” between the first 13-States (the originating Thirteen Colonies known as ‘British America’) and within Article I named that confederacy the ‘United States of America’. Due to ongoing faults and governmental limitations within the established confederation in 1788 the ‘Articles of Confederation’ was repealed and thereafter replaced by the ‘U.S. Constitution’ under a “*republican form of government*” (ratified in 1788). The U.S. Constitution continues the doctrine of that *perpetual union* within its own Preamble stating: “*We the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.*”. The U.S. Constitution is not a “living” document.

In 1789 due to concerns over the potential for governmental abuses and overreaching of powers prescribed to the government by the U.S. Constitution a ‘Bill of Rights’ was devised (ratified in 1791). During this period of time many of our Forefathers participated in an exchange of anonymously posted articles titled the ‘Federalist and Anti-Federalist Papers’, where it was debated in great detail and at length over the precise reasoning for establishing a national government to oversee our Union of States, including the powers to be vested into each form of government (federalization versus state sovereignty). This debate resulted in an exchange of approximately eighty-five letters from each side. The ‘Federalist Papers’ are legally relevant as evidence, concerning the “original intent” of our Forefathers in their crafting of the U.S. Constitution, as it stands.

Fundamental law, where the federal government realizes the legal authority to lay and collect taxes.

The U.S. Constitution is recognized by each State of the Union as “*the supreme law of the land*”, as so stated within Article VI Clause 2: “***This Constitution, and the laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; ...***”. The Declaration of Independence, U.S. Constitution and Bill of Rights serve conjointly as the basis for what is referred to as ‘fundamental law’, which is in essence the morality or standing principles (the historical causation) that created a nations’ constitution e.g., our Nation’s ‘Declaration of Independence’. All acts of law (statutes, regulations, and ordinances) thereafter enacted must remain in absolute accord and spirit with these documents, as these documents are omnipresent. This is what is meant when it is stated that the U.S. Constitution is not a “living” document, for such established precepts transcend present circumstance; they do not simply conform to conditional nor perceived necessity (except through the amending process [ratification] prescribed within Article V).

The law making power of the Legislature is reinforced by Article I, Section 8, Clause 18; which states that: “[The Congress shall have power] [t]o make all laws ***which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the government of the United States, or in any department or officer thereof.***”. Clearly, this power is limited to only that which has been stipulated within the U.S. Constitution and its Amendments. Thus, the question is raised, in accordance with the U.S. Constitution, what taxing powers does the Legislature possess? The answer is found in Article I, Section 8, Clause 1 of the U.S. Constitution and the XVI Amendment to the U.S. Constitution.

“***The Congress shall have power to lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts and excises shall be uniform throughout the United States;***”

- **Article I, Section 8, Clause 1**

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

- **Amendment XVI**

The above infers that so long as ‘the Congress’ is paying the debts, providing for the common defense or general welfare of the United States, they then realize the power to lay and collect such established classes of tax; provided that the taxes being sought are legally imposable and collected in a manner as prescribed by the U.S. Constitution. This then poses the question, what modes of taxation are legally imposable and by what methods are taxes to be levied?

The answer is found in several different sections of the U.S. Constitution and in one Amendment to the U.S. Constitution, which are: Article I, Section 2, Clause 3; Article I, Section 8, Clause 1; Article I, Section 9, Clause 4; and the XVI Amendment.

*“Representatives and **direct taxes shall be apportioned among the several states which may be included within this union, according to their respective numbers, ...”***

- **Article I, Section 2, Clause 3**

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

- **Article I, Section 8, Clause 1**

*“**No capitation, or other direct, tax shall be laid, unless in proportion to the census or enumeration herein before directed to be taken.**”*

- **Article I, Section 9, Clause 4**

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

- **Amendment XVI**

Precisely, what is the purpose of laying and collecting taxes?

The reasoning for establishing federal taxation is stipulated very pointedly within the U.S. Constitution itself. As per Article I, Section 8, Clause 1, the generation of all federal revenue is distinctly for the purposes of: **1.** paying the debts acquired by the United States in the course of either **2.** providing for the common defense of the United States or **3.** providing for the general welfare of the United States. A reading of ‘Federalist Paper No. 30’ serves to clarify a bit more upon federal taxing powers, lending examples as to for what benefits nationalized taxation would serve the future of our Union.

This then raises three straightforward questions: (1) For which specific purposes might the United States incur a debt and to whom would the United States become indebted? (2) What exactly is “common defense”? (3) What exactly is “general welfare”?

To answer (1): The United States could only incur a debt while performing either of providing for the “common defense” or “general welfare” of the United States of America or its territories or possessions. If not wise and prudent the United States could become overwhelmingly indebted to industries such as agriculture, banking, and manufacturing or to other nations or international businesses through trade agreements, treaties, or other similar contracts. Presently, the debt of our Nation is ~\$12,000,000,000,000.00 and grows with each passing second. This is the pith of “*taxation without representation*”, as this debt is foisted unto our Nation’s posterity.

To answer (2): “Common defense” is the act of raising and supporting the national military and militia for the purpose of defending the United States of America against disaster, insurrection, invasion, distress, and duress. It is important to note that this is far different than raising and supporting a national military and organized militia (i.e., National Guard) for the express purpose of policing the majority of the world, (that including the stratosphere and outer space) as our national military, organized militia, and NASA are presently doing.

To answer (3): “General welfare” is the act of building, expanding, maintaining, and repairing necessary interstate infrastructures, such as: agriculture and irrigation; canals, reservoirs, and potable water; freeways, highways, and roadways; harbors, ports, and waterways; needful buildings; sewage and waste; managing the census, suffrage; etc. Again, the above are vastly different than providing “qualifying individuals” with nationalized health and medical care, social welfare, unemployment, or sustaining failing enterprises; all while ordaining a profusion of bureaucratic governmental agencies to micromanage, dictate, and regulate all courses of private affair, as is the current agenda of our federal government and its presiding officers.

What is the distinction between ‘direct’ and ‘indirect’ taxation?

The U.S. Constitution establishes only two categorical methods of taxation; these being ‘direct’ and ‘indirect’, with each category containing several individual modes for levying such taxes.

‘Direct taxes’ are prescribed by the U.S. Constitution within both Article I, Section 2, Clause 3 and Article I, Section 9, Clause 4. Classes of direct taxes include two divisions, ‘personal taxes’ [‘capitation’ and ‘poll’ taxes; taxes on chattel or personalty] and ‘other direct taxes’ [assessments; land and realty taxes (as opposed to usage or transference)]. All direct taxes are required to be “apportioned” among the populations of each perspective Union State according to the most recent census (census or “enumeration” requirements are prescribed within Article I, Section 2, Clause 3). This means that according to the total population recorded within one’s own State, each individual will pay without regard to personal financial ability, in the form of taxes, an exact portion or share of the allotment due to the Legislature. The allotment consigned unto each State by the Legislature is a percentage of each States’ recorded population in consideration of the aggregated sum, being necessary and proper.

*“Representatives and **direct taxes shall be apportioned among the several states which may be included within this union, according to their respective numbers, ...”***

- **Article I, Section 2, Clause 3**

*“**No capitation, or other direct, tax shall be laid, unless in proportion to the census or enumeration herein before directed to be taken.**”*

- **Article I, Section 9, Clause 4**

‘Indirect taxes’ are prescribed by the U.S. Constitution within Article I, Section 8, Clause 1 and Amendment XVI. Classes of indirect taxes include two primary divisions, each having many subclasses: ‘duties’ [including ‘imposts’] and ‘excises’ [including ‘incomes’]. Indirect taxes are required to be “uniform” throughout the several States; thus, no matter which State you are within, the taxed item, event, or activity must be exactly identical to any other State, regardless.

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

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What are ‘incomes’ as meant by the XVI Amendment?

The Congressional Research Service (CRS) Annotated Constitution concerning the XVI Amendment states under the heading ‘**Income Subject to Taxation**’ the definition of ‘income’ as:

“Building upon definitions formulated in cases construing the Corporation Tax Act of 1909, [14] the Court initially described income as the “gain derived from capital, from labor, or from both combined,” inclusive of the “profit gained through a sale or conversion of capital assets”; [15] ...”

[14 - *Stratton’s Independence v. Howbert*, 231 U.S. 399 (1913); *Doyle v. Mitchell Bros. Co.*, 247 U.S. 179 (1918)]

[15 - *Eisner v. Macomber*, 252 U.S. 189 (1920); *Bowers v. Kerbaugh–Empire Co.*, 271 U.S. 170 (1926)]

Thereby “incomes” as intended within the XVI Amendment implies a strict sense within a specified application; the legalese term ‘gross income’ is not intended to imply a meaning as otherwise comprehended in common English verbiage. Ergo, ‘gross income’ is merely the financial increase taken in through a monetary corpus, it is not, all revenue that one receives throughout the year for whatever engagements they may have participated in, such as pursuing a livelihood, while aspiring to attain *happiness through life and liberty*.

The IRS itself acknowledges that it is the XVI Amendment that restored their power to tax such classes of ‘income taxes’ after being ruled unconstitutional in the Supreme Court watershed case: *Pollock v. Farmers’ Loan & Trust Company*, 158 U.S. 601 (1895).

The tax being levied upon “incomes” as meant within the XVI Amendment is not upon the source itself, (i.e., one’s wages as capital) but upon the realized ‘gain’, ‘profit’, or ‘income’ deriving therefrom.

Part 2 of 2

Focus: ‘Personal Taxes’ vs. ‘Income Taxes’

So just what are taxes on ‘gains’ and ‘profits’?

A ‘gain’ is in the context of a capital gain, the positive [realized] increase of an asset, *such as in stocks or real estate*, between the time purchased and sold. To gain is to fortuitously post profits, winnings, and to monetarily increase the value of one’s own capital or principal.

A ‘profit’ is the excess of receipts over expenditures, that is, the pecuniary remaining after deducting, from the gross, the sum of the employed capital, labor, materials, rents, etc.; net profits or earnings. The compensation to entrepreneurs for assuming a risk in business enterprise, *as distinguished from the wages of labor*.

As the federal ‘income tax’ pertains to the whole revenue earned by subservient workforces, the term ‘gross income’ is simply levying for a tax with consideration to the financial harvest that has germinated out from the soil of capital, however cultivated or refined. It is not, however, a tax upon the soil itself. Meaning that ‘gross income’ is to leave that which is the source unimpaired otherwise it is no longer taxing in consideration of Sixteenth Amendment “incomes”.

What this clarifies is that the XVI Amendment has no legal relevance, as it does not subjugate those within menial occupations; so far as the remuneration – that is subsistence – received by the everyday laboring American citizen or resident is concerned. The prescribed embodiment of the XVI Amendment is specific to ventures in franchise and entrepreneurship. For the purposes of establishing such a form of federal ‘income’ taxation, merely earning a livelihood by way of common right, (i.e., *natural law*) while remaining exterior to professionally privileged activities, enterprises, or pursuits and to federal offices, instrumentalities, or bureaucracies, is entirely outside the breadth of the XVI Amendment. A careful review of the many relevant Supreme Court (SCOTUS) decisions serves to exemplify this relevant fact as it pertains to constitutional law.

It is one’s subsistence earned through their own exertion that serves as the basis, the capital, to thereafter potentially realize ‘income’ through whatever investment medium such as by funds and markets or through the purchasing of lands and realty, which may emanate items of ‘gross income’ out from those assets or other such capitalized arrangements. The eminent 1895 *Pollock v. Farmer’s Loan & Trust Co.* case served as a pivotal point for the IRS as that case found the ‘income tax’ upon realty rents to be indistinguishable from the property itself and therefore a ‘direct tax’, which is why the XVI Amendment was proposed and ratified, so as to no longer lend a consideration to the source from which one’s ‘taxable income’ had derived. Prevalently, it is through one’s laboring that all forms of property and subsequently the ‘income’ therefrom is acquired.

“... all duties, imposts and excises ...”

To briefly overview the precise distinction between the various classes of taxes within the category of ‘indirect taxes’, as originally prescribed within Article I, Section 8, Clause 1 of the U.S. Constitution, the following are their individual descriptions:

Duties: A tax levied upon the importation or exportation of commerce, commodities, goods, and merchandise; imports and exports; customs.

Imposts: A tax levied upon imported commerce, commodities, goods, and merchandise; tariffs; a tax levied in general, as in ‘impositions’.

Excises: An internal tax [meaning taking place within the United States of America]; a tax levied upon the consumption, manufacture, or sale of commodities, merchandise, or products; a tax imposed on federally sanctioned privilege; licenses and fees to pursue specified occupations, industries, enterprises, or activities; public charges.

What are taxes on your labor or compensation for your labor, exactly?

Economist Dr. Adam Smith, the founder of “free market economics” (e.g., free trade, laissez-faire) in his five part erudite works entitled “*An Inquiry into the Nature And Causes of the Wealth of Nations*” [1776], synthesized the present day understanding of national workforces, trade, commerce, economy, and governmental taxation for the purposes of generating revenue. His impeccable research and resulting book ‘Wealth of Nations’ is largely what reasoned and influenced the understanding our Forefathers would later go on to institute within our U.S. Constitution in the year 1788, concerning the implementation of our system of national taxation.

More specifically, Dr. Adam Smith had clarified that a tax levied in consideration of labor is a ‘direct tax’ and moreover that it is the business itself that is to justly pay such impositions as placed upon its own laborers, either from its books or through the raising of their workers’ pay, thereby reimbursing them for that “direct” loss. Regardless, the business could recover these additional expenses in the same fashion as used to shift their burden of ‘indirect taxes’ onto their consumers; by raising the prices of their products or services. Dr. Smith wrote that: “*The wages of the inferior classes of workmen, ... While the demand for labour and the price of provisions, therefore, remain the same, a direct tax upon the wages of labour can have no other effect than to raise them somewhat higher than the tax.*”

“*A direct tax upon the wages of labour, therefore, though the labourer might perhaps pay it out of his hand, could not properly be said to be even advanced by him: ...*”

[Book Five, Chapter II, Article III – ‘Taxes upon the Wages of Labour’]

Dr. Adam Smith had discerned that ‘capitation taxes’ were the proper class of ‘direct taxes’ to be levied in consideration of labor. This was due to the ‘capitations’ levied in France as opposed to the ‘poll-taxes’ levied in England, both **directly** upon the common people (i.e., the inferior class or general populace). Furthermore, he deduced that in levying such taxes they were to remain indifferent up all, regardless of individual circumstance. Our Forefathers went on to prescribe that all such ‘direct taxes’ be levied by an “apportionment” of the most current census/enumeration. In juxtaposition they prescribed the requirement that all ‘indirect taxes’ were to be levied according to a rule of “uniformity”. Dr. Adam Smith further wrote:

“The taxes which, it is intended, should fall indifferently upon every different species of revenue, are capitation taxes, and taxes upon consumable commodities. These must be paid indifferently from whatever revenue the contributors may possess; from the rent of their land, from the profits of their stock, or from the wages of their labour.”

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. His assessment, therefore, must in most cases depend upon the good or bad humour of his assessors, and must, therefore, be altogether arbitrary and uncertain.

Capitation taxes, if they are proportioned not to the supposed fortune, but to the rank of each contributor, become altogether unequal, the degrees of fortune being frequently unequal in the same degree of rank.

Such taxes, therefore, if it is attempted to render them equal, become altogether arbitrary and uncertain, and if it is attempted to render them certain and not arbitrary, become altogether unequal. Let the tax be light or heavy, uncertainty is always a great grievance. In a light tax a considerable degree of inequality may be supported; in a heavy one it is altogether intolerable.”

...
“In the capitation which has been levied in France without any interruption since the beginning of the present century, the highest orders of people are rated according to their rank by an invariable tariff; the lower orders of people, according to what is supposed to be their fortune, by an assessment which varies from year to year. The officers of the king’s court, the judges and other officers in the superior courts of justice, the officers of the troops, etc., are assessed in the first manner. The inferior ranks of people in the provinces are assessed in the second. In France the great easily submit to a considerable degree of inequality in a tax which, so far as it affects them, is not a very heavy one, but could not brook the arbitrary assessment of an intendant. The inferior ranks of people must, in

that country, suffer patiently the usage which their superiors think proper to give them.”

...
“*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.*”

Capitation taxes are levied at little expense, and, where they are rigorously exacted, afford a very sure revenue to the state. It is upon this account that in countries where the ease, comfort, and security of the inferior ranks of people are little attended to, capitation taxes are very common. It is in general, however, but a small part of the public revenue which, in a great empire, has ever been drawn from such taxes, and the greatest sum which they have ever afforded might always have been found in some other way much more convenient to the people.”

[Book Five, Chapter II, Article IV – ‘Capitation Taxes’]

‘Capitation taxes’, ‘poll-taxes’, and taxes on non-real property (i.e., chattel or personalty; tangible, moveable personal property) constitute what is referred to as ‘personal taxes’. As clarified above there is but a subtle distinction between ‘capitation taxes’ and ‘poll-taxes’, making it imperative to note these two primary considerations:

Capitation taxes are: ‘direct taxes’ levied only with consideration to a person’s industry or occupation, specifically upon their labor; their subsistence or livelihood. A tax upon what you do, as a person.

Poll-taxes are: ‘direct taxes’ levied without any consideration to one’s property, be it real or personal or to their employments and is instead levied in consideration of one’s social class, rank, standing, or status; their personality or essence. A tax upon who you are, as a person.

The following are relevant legal definitions as stated within ‘*Black’s Law Dictionary 3rd Edition*’ [1933]:

CAPITATIM. Lat.
By the head; by the poll; severally to each individual.

[*Merriam-Webster’s* defines ‘severally’ as: one at a time; each by itself; apart from others; separately; independently]

CAPITATION TAX.
[1] A poll tax. An imposition levied upon the person simply, without any reference to his property, real or personal, or to any business in which he may be engaged, or to any employment which he may follow.

[2] A tax or imposition raised on each person in consideration of his labor, industry, office, rank, etc. It is a very ancient kind of tribute and answers to what the Latins called “tributum,” by which taxes on persons are distinguished from taxes on merchandise called “vectigalia.” Wharton.

PERSONAL TAX.

A tax either imposed on the person without reference to property, as a capitation or poll tax, or a tax imposed on personal property, as distinguished from one laid on real property.

POLL-TAX.

A capitation tax: a tax of a specific sum levied upon each person within the jurisdiction of the taxing power and within a certain class (as, all males of a certain age, etc.) without reference to his property or lack of it.

As observed ‘capitation taxes’ and ‘poll-taxes’ closely relate to one another, which bears on them also being referred to as ‘head taxes’, as they are directly representative of the person. ‘Direct taxation’ is indicative of an assessment, which is unavoidable. ‘Indirect taxation’ is but an imposition upon specified participation, consumption, and expenditure; where individuals effectively tax themselves. All ‘direct taxes’ are to be assessed only to the extent as absolutely necessary (Federalist #36). The following is quoted from SCOTUS’ *Pollock v. Farmer’s Loan & Trust Co.*, 157 U.S. 429 (1895) [Mr. Gallatin among many titles served in the 4th-6th Congresses, becoming Party Leader and was the longest serving Secretary of the Treasury, serving from 1801-1814 as the 4th Treasury Secretary]:

“But Albert Gallatin, in his Sketch of the Finances of the United States, published in November, 1796, said: “The most generally receive opinion, however, is that, by direct taxes in the constitution, those are meant which are raised on the capital or revenue of the people; by indirect, such as are raised on their expense. ...”

...
He then quotes from Smith’s Wealth of Nations, and continues: “The remarkable coincidence of the clause of the constitution with this passage in using the word ‘capitation’ as a generic expression, including the different species of direct taxes-- an acceptance of the word peculiar, it is believed, to Dr. Smith-- leaves little doubt that the framers of the one had the other in view at the time, and that they, as well as he, by direct taxes, meant those paid directly from the falling immediately on the revenue; and by indirect, those which are paid indirectly out of the revenue by falling immediately upon the expense.””

So then, why is my remuneration being withheld each pay period?

The reason your pay is withheld each pay period is chiefly attributed to the ‘Current Tax Payment Act of 1943’, this Act is what implemented IRS “wage withholdings” through the instrument of an IRS W-4 Form. It was not until the initialization of the voluntary ‘Victory Tax of 1942’ and the subsequent practice of IRS “wage withholdings” that the percentage of federal income tax filers began to dramatically rise. In 1943 alone the number of filers rose to 38%. To clarify, even 29-years after the ratification of the ‘Revenue Act of 1913’ [‘Tariff Act’] and the XVI Amendment not more than 15% of the

U.S. population filed federal income tax returns for any given year and most years ranged between 3-8% (from 1913-1942, respectively).

How was this so? Inspired partly by the charismatic guise of movies and Donald Duck cartoons (“Inflation”, “The New Spirit”, and “Spirit of 43”) individuals began paying federal income taxes voluntarily to brag their patriotic support by providing financial aid to the federal government for the war effort under what was dubbed the ‘Victory Tax’. The Victory Tax was repealed in 1944. These increases in annual filings were attested to by President Truman himself in a 1952 ‘Message of the President’ declaring: “... *In 1940, 19 million tax returns were filed; in 1951, 82 million. ...*”. During this 11-year span the population increased by only 22-million individuals. To date with an approximate population of 304-million, roughly 131-million individuals and couples file federal income tax returns yearly.

During this period of time and continuing through the subsequent years it is most likely that the entirety of the truth in categorical taxation was ensconced from the populace, when combined with failing public education and complicity throughout the passing years, a recipe for absolute devastation and disaster quickly becomes realized. It remains that certified public accountants (CPA), tax attorneys, and other such “tax professionals” are taught that the Internal Revenue Code applies to all, that all are subject unto it, regardless. These individuals are indoctrinated that they need not look any further than the IRS’ own distributed publications, manuals, forms, and schedules for legal verification concerning federal tax laws; such as the infamous Publication 15 - ‘*Employer’s Tax Guide*’ and 15-A - ‘*Employer’s Supplemental Tax Guide*’.

Such materials as provided by the IRS presumes that the reader has already determined themselves to be subject to the content provided therein; such materials are merely representative of federal tax laws, they are not in and of themselves “*the law*”. To fully comprehend federal tax laws, its proper legal application and context, one needs to thoroughly review the relevant statutes within Title 26 of the United States Code (U.S.C.) and cross-reference them with the Federal Register, the Parallel Table of Authorities & Rules, Title 26 of the Code of Federal Regulations (CFR), along with relevant case law.

Suggested reading materials: The Constitutional Convention; The Federalist Papers/Anti-Federalist Papers, (especially Papers: 12, 21, and 30-36); ‘**Common Sense**’ and ‘**Rights of Man**’ by Thomas Paine; ‘**The Social Contract**’ by Jean-Jacques Rousseau; ‘**Civil Disobedience**’ by Henry Thoreau; ‘**The Prince**’ by Niccolo Machiavelli; ‘**The Communist Manifesto**’ by Karl Marx and Friedrich Engels; ‘**Tragedy & Hope**’ by Carroll Quigley; ‘**The Revolution**’ by Dr. Ron Paul; ‘**Reflections on the Formation and Distribution of Wealth**’ by Turgot; ‘**A Treatise on the Law of Taxation**’ by Thomas Cooley; ‘**A Treatise on the Law of Income Taxation**’ by Henry Black; ‘**A Sketch of the Finances of the United States**’ by Albert Gallatin; ‘**Wealth of Nations**’ by Dr. Adam Smith.

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