

# ADMISSIONS RELATING TO ALLEGED LIABILITY

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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." -- President Ronald W. Reagan

## 3 **1 PURPOSE/SCOPE**

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

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

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

19 [TITLE 5 - GOVERNMENT ORGANIZATION AND EMPLOYEES](#)  
20 [PART I - THE AGENCIES GENERALLY](#)  
21 [CHAPTER 5 - ADMINISTRATIVE PROCEDURE](#)  
22 [SUBCHAPTER II - ADMINISTRATIVE PROCEDURE](#)

23 *Sec. 556. Hearings; presiding employees; powers and duties; burden of proof; evidence; record as basis of*  
24 *decision*

25 *(d) **Except as otherwise provided by statute, the proponent of a rule or order has the burden of proof.***

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

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

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

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

- 46 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 Rule 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 Federal jurisdiction**

3 For additional information on the subjects covered in this section, please refer to section 3 of the *Tax Deposition Questions*  
4 found at:

5 <http://famguardian.org/TaxFreedom/Forms/Discovery/Deposition/Deposition.htm>

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

8 *"It is no longer open to question that the general [federal] government, unlike the states, Hammer v.  
9 Dagenhart, [247 U.S. 251, 275](#), 38 S.Ct. 529, 3 A.L.R. 649, Ann.Cas.1918E 724, possesses no inherent power  
10 in respect of the 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 *"But very different considerations apply to the internal commerce or domestic trade of the States. Over this  
14 commerce and trade Congress has no power of regulation [or taxation] nor any direct control. This power  
15 belongs exclusively to the States. No interference by Congress with the business of citizens transacted within  
16 a State is warranted by the Constitution, except such as is strictly incidental to the exercise of powers clearly  
17 granted to the legislature. The power to authorize a business within a State is plainly repugnant to the exclusive  
18 power of the State over the same subject. It is true that the power of Congress to tax is a very extensive power.  
19 It is given in the Constitution, with only one exception and only two qualifications. Congress cannot tax exports,  
20 and it must impose direct taxes by the rule of apportionment, and indirect taxes by the rule of uniformity. Thus  
21 limited, and thus only, it reaches every subject, and may be exercised at discretion. But, it reaches only existing  
22 subjects. Congress cannot authorize a trade or business within a State in order to tax it."  
23 [*License Tax Cases*, [72 U.S. 462](#), 18 L.Ed. 497, 5 Wall. 462, 2 A.F.T.R. 2224 (1866)]*

24 YOUR ANSWER: \_\_\_\_ Admit \_\_\_\_ Deny

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

26  
27  
28 2. Admit that Subtitle A of the Internal Revenue Code qualifies as "legislation" with respect to the above court ruling(s).

29 YOUR ANSWER: \_\_\_\_ Admit \_\_\_\_ Deny

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

31  
32 3. Admit that because the Subtitle A of the Internal Revenue Code qualifies as "legislation", then its jurisdiction does not  
33 include areas internal to states of the Union, excepting possibly federal areas under the exclusive jurisdiction of the  
34 United States and coming under [Article 1](#), Section 8, Clause 17 of the Constitution.

35 YOUR ANSWER: \_\_\_\_ Admit \_\_\_\_ Deny

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

37  
38 4. Admit that the District of Columbia and the territories and possessions of the United States are outside of areas within  
39 the exclusive jurisdiction of states of the Union and outside the "United States" as used in the Constitution.

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

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

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

20 CLARIFICATION: \_\_\_\_\_  
21

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

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

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

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

31 CLARIFICATION: \_\_\_\_\_  
32

- 33 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  
34 Subtitle A of the Internal Revenue Code is defined to apply.

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

37 (a)(9) United States

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

40 \_\_\_\_\_  
41 [26 U.S.C. Sec. 7701\(a\)\(10\): State](#)

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

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

45 CLARIFICATION: \_\_\_\_\_  
46

- 47 7. Admit that there is no other definition of “United States” applying to subtitle A of the Internal Revenue Code which  
48 might modify or enlarge the definition of “United States” found above.  
49

1 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

3  
4 8. Admit the term “United States” as defined in the 50 titles of the U.S. Code is limited in the majority (greater than 50%)  
5 of cases to areas under exclusive federal jurisdiction and excludes areas under exclusive state legislative jurisdiction.

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

7  
8 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

9  
10 CLARIFICATION: \_\_\_\_\_

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

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

19  
20 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

21  
22 CLARIFICATION: \_\_\_\_\_

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

25 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

26  
27 CLARIFICATION: \_\_\_\_\_

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

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

35  
36 *“The principle thus applicable has been frequently stated. It is that the Congress may circumscribe its*  
37 *regulation and occupy a limited field, and that the intention to supersede the exercise by the State of its*  
38 *authority as to matters not covered by the federal legislation is not to be implied unless the Act of Congress*  
39 *fairly interpreted is in conflict with the law of the State. See Savage v. Jones, 225 U.S. 501, 533.”*  
40 *[Atchison, T. & S. F. R. Co. v. Railroad Commission, 283 U.S. 380, 392–393 (1931)]*

41  
42 *“If Congress is authorized to act in a field, it should manifest its intention clearly. It will not be presumed that a*  
43 *federal statute was intended to supersede the exercise of the power of the state unless there is a clear*  
44 *manifestation of intention to do so. The exercise of federal supremacy is not lightly to be presumed.”*  
45 *[Schwartz v. Texas, 344 U.S. 199, 202-203 (1952)]*

46 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

47  
48 CLARIFICATION: \_\_\_\_\_

1 12. Admit that the term “United States” as used in the Constitution and “United States” and as used in [26 U.S.C.](#)  
2 [§7701\(a\)\(9\)](#) and (a)(10) refer to two mutually exclusive geographical areas.

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

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

11 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

13  
14 13. Admit that IRS form 1040 (not 1040NR, but 1040) is intended to be submitted only by those who are “citizens or  
15 residents” of the “United States”.

16 1040A 11327A Each

17 U.S. Individual Income Tax Return

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

20 W:CAR:MP:FP:F:I Tax Form or Instructions  
21 [\[2003 IRS Published Products Catalog, p. F-15\]](#)

22 14. Admit that those who do not maintain a “domicile” within the District of Columbia or the territories or possessions of  
23 the United States do not qualify as either “citizens” or “residents” of the “United States” as used above.

24 **domicile.** *A person's legal home. That place where a man has his true, fixed, and permanent home and*  
25 *principal establishment, and to which whenever he is absent he has the intention of returning. Smith v. Smith,*  
26 *206 Pa.Super. 310m 213 A.2d 94. Generally, physical presence within a state and the intention to make it one's*  
27 *home are the requisites of establishing a "domicile" therein. The permanent residence of a person or the place*  
28 *to which he intends to return even though he may actually reside elsewhere. A person may have more than one*  
29 *residence but only one domicile. The legal domicile of a person is important since it, rather than the actual*  
30 *residence, often controls the jurisdiction of the taxing authorities and determines where a person may exercise*  
31 *the privilege of voting and other legal rights and privileges. The established, fixed, permanent, or ordinary*  
32 *dwellingplace or place of residence of a person, as distinguished from his temporary and transient, though*  
33 *actual, place of residence. It is his legal residence, as distinguished from his temporary place of abode; or his*  
34 *home, as distinguished from a place to which business or pleasure may temporarily call him. See also Abode;*  
35 *Residence.*

36 *"Citizenship," "habitaney," and "residence" are severally words which in particular cases may mean precisely*  
37 *the same as "domicile," while in other uses may have different meanings.*

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

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

43 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

45  
46  
47 15. Admit that according to the Internal Revenue Code at 26 U.S.C. §7214, IRS and U.S. government agents, revenue  
48 officers, and employees face severe penalties, including prison and fines, if they demand more tax than is authorized by  
49 law or collect in a place not expressly authorized.

(a) Unlawful acts of revenue officers or agents

Any officer or employee of the United States acting in connection with any revenue law of the United States—

(1) who is guilty of any extortion or willful oppression under color of law; or

(2) who knowingly demands other or greater sums than are authorized by law, or receives any fee, compensation, or reward, except as by law prescribed, for the performance of any duty; or

(3) who with intent to defeat the application of any provision of this title fails to perform any of the duties of his office or employment; or

(4) who conspires or colludes with any other person to defraud the United States; or

(5) who knowingly makes opportunity for any person to defraud the United States; or

(6) who does or omits to do any act with intent to enable any other person to defraud the United States; or

(7) who makes or signs any fraudulent entry in any book, or makes or signs any fraudulent certificate, return, or statement; or

(8) who, having knowledge or information of the violation of any revenue law by any person, or of fraud committed by any person against the United States under any revenue law, fails to report, in writing, such knowledge or information to the Secretary; or

(9) who demands, or accepts, or attempts to collect, directly or indirectly as payment or gift, or otherwise, any sum of money or other thing of value for the compromise, adjustment, or settlement of any charge or complaint for any violation or alleged violation of law, except as expressly authorized by law so to do;

shall be dismissed from office or discharged from employment and, upon conviction thereof, shall be fined not more than \$10,000, or imprisoned not more than 5 years, or both. The court may in its discretion award out of the fine so imposed an amount, not in excess of one-half thereof, for the use of the informer, if any, who shall be ascertained by the judgment of the court. The court also shall render judgment against the said officer or employee for the amount of damages sustained in favor of the party injured, to be collected by execution.

YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

### 3.2 Who are “taxpayers”

For more information about the subjects covered in this section, refer to the pamphlet entitled “Who Are ‘taxpayers’ and who needs a ‘Taxpayer Identification Number’” available below:

<http://sedm.org/Forms/MemLaw/WhoAreTaxpayers.pdf>

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

*“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...”*

*“The distinction between persons and things within the scope of the revenue laws and those without is vital.”*

[*Long v. Rasmussen*, 281 F. 236 @ 238(1922)]

<http://famguardian.org/TaxFreedom/Forms/Discovery/Deposition/Evidence/Q03.038.pdf>

YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

2 2. Admit that a “resident” is defined in 26 U.S.C. §7701(b)(1)(B).

3 [26 U.S.C. §7701\(b\)\(1\)\(A\) Resident alien](#)

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

5 (1) In general

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

7 (A) **Resident alien**

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

10 (i) Lawfully admitted for permanent residence

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

12 (ii) Substantial presence test

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

14 (iii) First year election

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

16 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

20 3. Admit that the only type of “resident” defined in the Internal Revenue Code are “aliens” as shown above.

21 **Title 26: Internal Revenue**  
22 [PART 1—INCOME TAXES](#)  
23 [nonresident alien individuals](#)  
24 [§ 1.871-2 Determining residence of alien individuals.](#)

25 (b) Residence defined.

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

37 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

41 4. Admit that there is no definition of “resident” anywhere in the I.R.C. or Treasury Regulations which would enlarge or  
42 expand upon the definition of “resident” above.

43 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

1  
2 CLARIFICATION: \_\_\_\_\_

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

5 [26 CFR §1.1-1\(c\): Income Tax on individuals](#)

6 (c) Who is a citizen.

7 Every person born or naturalized in the [federal] [United States](#) and subject to its [exclusive federal jurisdiction  
8 under [Article I, Section 8](#), Clause 17 of the [Constitution](#)] jurisdiction is a citizen. For other rules governing the  
9 acquisition of citizenship, see chapters 1 and 2 of title III of the [Immigration and Nationality Act \(8 U.S.C.  
10 1401-1459\)](#). For rules governing loss of citizenship, see sections 349 to 357, inclusive, of such Act ([8 U.S.C.  
11 1481-1489](#)), *Schneider v. Rusk*, (1964) [377 U.S. 163](#), and Rev. Rul. 70-506, C.B. 1970-2, 1. For rules pertaining  
12 to persons who are [nationals but not citizens at birth](#), e.g., a person born in American Samoa, see section 308 of  
13 such Act ([8 U.S.C. 1408](#)). For special rules applicable to certain expatriates who have lost citizenship with a  
14 principal purpose of avoiding certain taxes, see [section 877](#). A [foreigner](#) who has filed his declaration of  
15 intention of becoming a citizen but who has not yet been admitted to citizenship by a final order of a  
16 naturalization court is an alien.  
17 [\[26 CFR §1.1-1\(c \)\]](#)

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

19  
20 CLARIFICATION: \_\_\_\_\_

- 21  
22 6. Admit that the document entitled “Law of Nations” defines “resident” as follows:

23 *“Residents, as distinguished from citizens, are aliens who are permitted to take up a permanent abode in the  
24 country. Being bound to the society by reason of their dwelling in it, they are subject to its laws so long as they  
25 remain there, and, being protected by it, they must defend it, although they do not enjoy all the rights of citizens.  
26 They have only certain privileges which the law, or custom, gives them. Permanent residents are those who  
27 have been given the right of perpetual residence. They are a sort of citizen of a less privileged character, and  
28 are subject to the society without enjoying all its advantages. Their children succeed to their status; for the  
29 right of perpetual residence given them by the State passes to their children.” [The Law of Nations, Vattel,  
30 Book 1, Chapter 19, Section 213, p. 87]  
31 [\[http://sedm.org/Exhibits/EX1034.pdf\]](http://sedm.org/Exhibits/EX1034.pdf)*

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

34  
35 CLARIFICATION: \_\_\_\_\_

- 36 7. Admit that American Citizens domiciled within states of the Union do not qualify as “residents” within the meaning of  
37 [26 U.S.C. §7701\(b\)\(1\)\(B\)](#) unless they elect to do so under the provisions of [26 U.S.C. §6013\(g\)](#).

38 [TITLE 26 > Subtitle F > CHAPTER 61 > Subchapter A > PART II > Subpart B > § 6013](#)  
39 [§ 6013. Joint returns of income tax by husband and wife](#)

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

41 (1) In general

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

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

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

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

48 This subsection shall be in effect with respect to any individual who, at the close of the taxable year  
49 for which an election under this subsection was made, was a nonresident alien individual married to

a citizen or resident of the United States, if both of them made such election to have the benefits of this subsection apply to them.

(3) Duration of election

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

(4) Termination of election

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

(A) Revocation by taxpayers

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

(B) Death

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

(C) Legal separation

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

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

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

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

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

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

*(f) The term continental United States means the District of Columbia and the several [States](#), except Alaska and Hawaii.*

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

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

9. Admit that the term “State” within the context of federal citizenship is defined in [8 U.S.C. §1101\(a\)\(36\)](#):

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

*The term "State" includes the District of Columbia, Puerto Rico, Guam, and the Virgin Islands of the United States.*

1  
2 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

3  
4 CLARIFICATION: \_\_\_\_\_

5 10. Admit that a person born in a state of the Union was not born in a "State" or within the "continental United States"  
6 within the meanings defined above.

7 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

8  
9 CLARIFICATION: \_\_\_\_\_

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

13 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

14  
15 CLARIFICATION: \_\_\_\_\_

16 12. Admit that the term "individual" appearing in the upper left corner of the IRS Form 1040 is defined as follows:

17 [26 CFR §1.1441-1](#) Requirement for the deduction and withholding of tax on payments to foreign persons.

18 (c ) Definitions

19 (3) Individual.

20 (i) Alien individual.

21 *The term alien individual means an individual who is not a citizen or a national of the United States. See Sec.*  
22 *1.1-1(c).*

23 (ii) Nonresident alien individual.

24 *The term nonresident alien individual means a person described in section 7701(b)(1)(B), an alien individual*  
25 *who is a resident of a foreign country under the residence article of an income tax treaty and Sec. 301.7701(b)-*  
26 *7(a)(1) of this chapter, or an alien individual who is a resident of Puerto Rico, Guam, the Commonwealth of*  
27 *Northern Mariana Islands, the U.S. Virgin Islands, or American Samoa as determined under Sec. 301.7701(b)-*  
28 *1(d) of this chapter. An alien individual who has made an election under section 6013 (g) or (h) to be treated as*  
29 *a resident of the United States is nevertheless treated as a nonresident alien individual for purposes of*  
30 *withholding under chapter 3 of the Code and the regulations thereunder*

31  
32 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

35 13. Admit that there are no other definitions or explanations of the term "individual" within the Internal Revenue Code that  
36 would modify or enlarge the definition of "individual" beyond what appears above.

37 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

40 14. Admit that the only married and unmarried individuals mentioned within the Internal Revenue Code Section 1 are  
41 "aliens" and therefore "residents" who have income "effectively connected with a "trade or business".

42 *NORMAL TAXES AND SURTAXES*  
43 *DETERMINATION OF TAX LIABILITY*

Tax on Individuals  
Sec. 1.1-1 Income tax on individuals.

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

[26 CFR § 1.1-1(a)(2)(ii)]

YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

15. Admit that “Individual Taxpayer Identification Numbers” may ONLY be issued to “aliens” under

26 CFR §301.6109-1(d)(3)

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

YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

16. Admit that SSN’s may be used VOLUNTARILY under 26 U.S.C. §6109(d) as a substitute for a “Taxpayer Identification Number”

YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

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

YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

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

YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

19. Admit that a “U.S. citizen” defined in 8 U.S.C. §1401 and who is domiciled abroad in a foreign country is an “alien” with respect to a tax treaty with that foreign country.

YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

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

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

5 (31) Foreign estate or trust

6 (A) Foreign estate

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

10  
11 YOUR ANSWER: \_\_\_\_ Admit \_\_\_\_ Deny

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

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

15 YOUR ANSWER: \_\_\_\_ Admit \_\_\_\_ Deny

16 CLARIFICATION: \_\_\_\_\_  
17

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

19 [26 U.S.C. Sec. 7701\(a\)\(14\)](#)

20 Taxpayer

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

22 \_\_\_\_\_

23 *“Revenue Laws relate to taxpayers [officers, employees, and elected officials of the Federal Government] and*  
24 *not to non-taxpayers [American Citizens/American Nationals not subject to the exclusive jurisdiction of the*  
25 *Federal Government]. The latter are without their scope. No procedures are prescribed for non-taxpayers and*  
26 *no attempt is made to annul any of their Rights or Remedies in due course of law. With them[non-taxpayers]*  
27 *Congress does not assume to deal and they are neither of the subject nor of the object of federal revenue laws.”*  
28 *[Economy Plumbing & Heating v. U.S., 470 F2d, (1972)]*  
29 SOURCE: [http://famguardian.org/TaxFreedom/Authorities/Circuit/EconomyPlumbHtgVUnitedStates-](http://famguardian.org/TaxFreedom/Authorities/Circuit/EconomyPlumbHtgVUnitedStates-470F2d585(1972).pdf)  
30 [470F2d585\(1972\).pdf](http://famguardian.org/TaxFreedom/Authorities/Circuit/EconomyPlumbHtgVUnitedStates-470F2d585(1972).pdf)

31  
32 YOUR ANSWER: \_\_\_\_ Admit \_\_\_\_ Deny

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

### 35 **3.3 Taxable “activities” and “taxable income”**

36 If you would like to learn more about the subjects covered in this section, we refer you to Chapter 5 of our [Great IRS Hoax](#)  
37 book, and in particular, to the following article:

38 <http://famguardian.org/Subjects/Taxes/Articles/TradeOrBusinessScam.htm>

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

40 [26 U.S.C. Sec. 7701\(a\)\(26\)](#)

41 *“The term ‘trade or business’ includes the performance of **the functions** [activities] of a [public office](#).”*  
42

1 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

2  
3 CLARIFICATION: \_\_\_\_\_

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

6  
7 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

8  
9 CLARIFICATION: \_\_\_\_\_

- 10 3. Admit that a “trade or business” is an “activity”.

11 **“Trade or Business in the United States**

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

17  
18 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

19  
20 CLARIFICATION: \_\_\_\_\_

- 21 4. Admit that all excise taxes are taxes on privileged or licensed “activities”.

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

26  
27 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

- 30 5. Admit that holding “public office” in the United States government is an “activity”.

31  
32 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

- 35 6. Admit that those holding “public office” are described as “employees” within [26 CFR §31.3401\(c\)-1](#).

36 **26 CFR §31.3401(c)-1 Employee:**

37 *“...the term [employee] includes officers and employees, whether elected or appointed, of the United States, a*  
38 *[federal] State, Territory, Puerto Rico or any political subdivision, thereof, or the District of Columbia, or any*  
39 *agency or instrumentality of any one or more of the foregoing. The term ‘employee’ also includes an officer of a*  
40 *corporation.”*

41  
42 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

43  
44 CLARIFICATION: \_\_\_\_\_

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

46  
47 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

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

4 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

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

8 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

9  
10 CLARIFICATION: \_\_\_\_\_

11 10. Admit that because holding public office is “voluntary”, then all taxes based upon this activity must also be voluntary  
12 and avoidable.

13 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

14  
15 CLARIFICATION: \_\_\_\_\_

16 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  
17 oneself in the activity.

18 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

19  
20 CLARIFICATION: \_\_\_\_\_

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

23 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

24  
25 CLARIFICATION: \_\_\_\_\_

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

28 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

29  
30 CLARIFICATION: \_\_\_\_\_

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

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

35  
36 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

37  
38 CLARIFICATION: \_\_\_\_\_

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

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

1 (c) Effectively connected income, etc.

2 (3) Other income from sources within United States

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

6  
7 **Income Subject to Tax**

8 Income from sources outside the United States that is not effectively connected with a trade or business in the  
9 United States is not taxable if you receive it while you are a nonresident alien. The income is not taxable even if  
10 you earned it while you were a resident alien or if you became a resident alien or a U.S. citizen after receiving  
11 it and before the end of the year.

12 [[IRS Publication 519, Year 2000, p. 26](#)]

13  
14 YOUR ANSWER: \_\_\_Admit \_\_\_Deny

15  
16 CLARIFICATION: \_\_\_\_\_

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

20 [TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter N > PART 1 > Sec. 863.](#)  
21 [Sec. 863. - Special rules for determining source](#)

22 (a) Allocation under regulations

23 Items of gross income, expenses, losses, and deductions, other than those specified in sections 861(a) and  
24 862(a), shall be allocated or apportioned to sources within or without the United States, under regulations  
25 prescribed by the Secretary. Where items of gross income are separately allocated to sources within the United  
26 States, there shall be deducted (for the purpose of computing the taxable income therefrom) the expenses,  
27 losses, and other deductions properly apportioned or allocated thereto and a ratable part of other expenses,  
28 losses, or other deductions which cannot definitely be allocated to some item or class of gross income. The  
29 remainder, if any, shall be included in full as taxable income from sources within the United States.

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

31  
32 CLARIFICATION: \_\_\_\_\_

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

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

43  
44 YOUR ANSWER: \_\_\_Admit \_\_\_Deny

45  
46 CLARIFICATION: \_\_\_\_\_

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

49 [TITLE 26 > Subtitle A > CHAPTER 2 > §1402](#)

1 [§1402: Definitions](#)

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

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

7  
8 YOUR ANSWER: \_\_\_\_ Admit \_\_\_\_ Deny

9  
10 CLARIFICATION: \_\_\_\_\_

- 11 19. Admit that according to the Internal Revenue Code at 26 U.S.C. §864 (b)(1)(A), the statutory definition of the term  
12 "trade or business within the United States", excludes the performance of personal services for a nonresident alien,  
13 foreign partnership, or foreign corporation and that eaning from any three of the foregoing, are excluded from the gross  
14 income of a nonresident alien."

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

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

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

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

22 *The performance of personal services—*

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

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

28  
29 YOUR ANSWER: \_\_\_\_ Admit \_\_\_\_ Deny

30  
31 CLARIFICATION: \_\_\_\_\_

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

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

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

40  
41 YOUR ANSWER: \_\_\_\_ Admit \_\_\_\_ Deny

42  
43 CLARIFICATION: \_\_\_\_\_

- 44 21. Admit that the term "personal services" is limited exclusively to services performed in connection with a "trade or  
45 business".

46 [26 CFR Sec. 1.469-9](#) *Rules for certain rental real estate activities.*

1 (b)(4) PERSONAL SERVICES.

2 **Personal services** means any work performed by an individual in connection with a **trade or business**.  
3 However, personal services do not include any work performed by an individual in the individual's capacity as  
4 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 earnings of nonresident aliens for services performed for a nonresident alien individual, foreign partnership  
21 or foreign corporation are excluded from a "trade or business within the United States" and excludible from "gross  
22 income" for the purpose of Subtitle A of the Internal Revenue Code:

23 *TITLE 26 - INTERNAL REVENUE*  
24 *CHAPTER I - INTERNAL REVENUE SERVICE, DEPARTMENT OF THE TREASURY*  
25 *SUBCHAPTER A - INCOME TAX*  
26 *PART 1 - INCOME TAXES*  
27 *1.864 - 2 - Trade or business within the United States.*

28 (a) *In general.*

29 *As used in part I (section 861 and following) and part II (section 871 and following), subchapter N, chapter 1 of*  
30 *the Code, and chapter 3 (section 1441 and following) of the Code, and the regulations thereunder, the term*  
31 *engaged in trade or business within the United States does not include the activities described in paragraphs (c)*  
32 *and (d) of this section, but **includes the performance of personal services within the United States at any time***  
33 ***within the taxable year except to the extent otherwise provided in this section.***

34 **(b) Performance of personal services for foreign employer**

35 **(1) Excepted services.**

36 **For purposes of paragraph (a) of this section, the term engaged in trade or business within the United States**  
37 **does not include the performance of personal services**

38 **(i) For a nonresident alien individual, foreign partnership, or foreign corporation, not engaged in trade or**  
39 **business within the United States at any time during the taxable year, or . . .":**

40  
41 YOUR ANSWER: \_\_\_\_Admit \_\_\_\_Deny

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

1 24. Admit that the terms “foreign partnership” and “foreign corporation” as used in the previous question includes  
2 corporations incorporated under state and not federal law, as well as state partnerships and that the United States  
3 government is a “foreign corporation” with respect to a state of the Union.

4 *"A federal corporation operating within a state is considered a domestic corporation rather than a foreign  
5 corporation. The United States government is a foreign corporation with respect to a state."*  
6 *[19 Corpus Juris Secundum, Corporations, §883]*

7 \_\_\_\_\_  
8 *Uniform Commercial Code (U.C.C.)  
9 § 9-307. LOCATION OF DEBTOR.  
10 (h) [Location of United States.]*

11 *The United States is located in the District of Columbia.*

12 *[SOURCE:*  
13 <http://www.law.cornell.edu/ucc/search/display.html?terms=district%20of%20columbia&url=/ucc/9/article9.htm>  
14 [#s9-307](#)  
15 ]

16 YOUR ANSWER: \_\_\_\_ Admit \_\_\_\_ Deny

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

19 25. Admit that a nonresident alien with no earnings from a “trade or business” earns no “gross income” as defined in 26  
20 U.S.C. §61.

21 [§ 1.872-2 Exclusions from gross income of nonresident alien individuals.](#)

22 *(f) Other exclusions.*

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

33 YOUR ANSWER: \_\_\_\_ Admit \_\_\_\_ Deny

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

36 **3.4 How One “volunteers” to participate in the Municipal Donation Program called the**  
37 **Internal [to the District of Columbia] Revenue Code (IRC)**

38 For additional information on the subjects covered in this section, please refer to section 1 of the Tax Deposition Questions  
39 found at:

40 <http://famguardian.org/TaxFreedom/Forms/Discovery/Deposition/Deposition.htm>

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

43 [26 CFR §31.3401\(a\)-3 Amounts deemed wages under voluntary withholding agreements](#)

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

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

13  
14 YOUR ANSWER: \_\_\_Admit \_\_\_Deny

15  
16 CLARIFICATION:\_\_\_\_\_

- 17 2. Admit that a person who never submitted a form W-4 in the context of their private employment cannot earn “wages”  
18 as defined above.

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

20  
21 CLARIFICATION:\_\_\_\_\_

- 22 3. Admit that a “voluntary withholding agreement” or “agreement” is a contract.

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

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

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

34  
35 YOUR ANSWER: \_\_\_Admit \_\_\_Deny

36  
37 CLARIFICATION:\_\_\_\_\_

- 38 4. Admit the IRS form W-4 is entitled “Employee Withholding Allowance Certificate” says NOTHING about the  
39 formation of a “contract” or “agreement” anywhere on the form.

40 [Click here for IRS form W-4](#)

41  
42 YOUR ANSWER: \_\_\_Admit \_\_\_Deny

43  
44 CLARIFICATION:\_\_\_\_\_

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

47 *“Independent of these views, there are many considerations which lead to the conclusion that the power to*  
48 *impair contracts [either [the Constitution](#) or the [Holy Bible](#)], by direct action to that end, does not exist with the*  
49 *general [federal] government. In the first place, one of the objects of the Constitution, expressed in its*  
50 *preamble, was the establishment of justice, and what that meant in its relations to contracts is not left, as was*  
51 *justly said by the late Chief Justice, in Hepburn v. Griswold, to inference or conjecture. As he observes, at the*  
52 *time the Constitution was undergoing discussion in the convention, the Congress of the Confederation was*

1 engaged in framing the ordinance for the government of the Northwestern Territory, in which certain articles of  
2 compact were established between the people of the original States and the people of the Territory, for the  
3 purpose, as expressed in the instrument, of extending the fundamental principles of civil and religious liberty,  
4 upon which the States, their laws and constitutions, were erected. By that ordinance it was declared, that, in the  
5 just preservation of rights and property, 'no law ought ever to be made, or have force in the said Territory, that  
6 shall, in any manner, interfere with or affect private contracts or engagements bona fide and without fraud  
7 previously formed.' The same provision, adds the Chief Justice, found more condensed expression in the  
8 prohibition upon the States [in Article I, Section 10 of the Constitution] against impairing the obligation of  
9 contracts, which has ever been recognized as an efficient safeguard against injustice; and though the  
10 prohibition is not applied in terms to the government of the United States, he expressed the opinion, speaking  
11 for himself and the majority of the court at the time, that it was clear 'that those who framed and those who  
12 adopted the Constitution intended that the spirit of this prohibition should pervade the entire body of  
13 legislation, and that the justice which the Constitution was ordained to establish was not thought by them to be  
14 compatible with legislation [or judicial precedent] of an opposite tendency.' 8 Wall. 623. [99 U.S. 700, 765]  
15 Similar views are found expressed in the opinions of other judges of this court."  
16 [[Sinking Fund Cases, 99 U.S. 700 \(1878\)](#)]

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

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

- 21 6. Admit that consent to the constructive contract formed by signing and submitting the IRS form W-4 must be procured  
22 voluntarily and absent duress in order to be legally enforceable against the parties to it.

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

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

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

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

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

- 38 7. Admit that threats by a private employer against prospective or current private employees to the effect that refusal to  
39 sign or submit an form W-4 will result in termination of employment or refusal to hire cannot be considered  
40 “voluntary” and must instead be considered to be instituted under duress.

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

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

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

- 52 8. Admit that any contract obtained under duress is voidable and unenforceable against the party who was under the  
53 duress.

54 *“An agreement [consent] obtained by duress, coercion, or intimidation is invalid, since the party coerced is not*  
55 *exercising his free will, and the test is not so much the means by which the party is compelled to execute the*

1 agreement as the state of mind induced.<sup>1</sup> Duress, like fraud, rarely becomes material, except where a contract  
2 or conveyance has been made which the maker wishes to avoid. As a general rule, duress renders the contract  
3 or conveyance voidable, not void, at the option of the person coerced,<sup>2</sup> and it is susceptible of ratification.  
4 Like other voidable contracts, it is valid until it is avoided by the person entitled to avoid it.<sup>3</sup> However, duress  
5 in the form of physical compulsion, in which a party is caused to appear to assent when he has no intention of  
6 doing so, is generally deemed to render the resulting purported contract void.<sup>4</sup>  
7 [American Jurisprudence 2d, Duress, Section 21]

8  
9 YOUR ANSWER: \_\_\_\_Admit \_\_\_\_Deny

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

- 11  
12 9. Admit that acts accomplished or liabilities contracted under duress are legally treated as having been performed by or  
13 executed by the source of the duress, and not the person acting under the duress.

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

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

- 16  
17 10. Admit that federal officials, including employees of the IRS, who condone or tolerate the imposition of duress are  
18 parties to it, and under federal law, become “accessories after the fact”, which is a criminal act.

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

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

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

28  
29 YOUR ANSWER: \_\_\_\_Admit \_\_\_\_Deny

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

- 31  
32 11. Admit that the only type of earnings includible as “gross income” on a 1040 return are earnings in connection with a  
33 “trade or business”.

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

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

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

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<sup>1</sup> Brown v Pierce, 74 US 205, 7 Wall 205, 19 L Ed 134

<sup>2</sup> Barnette v Wells Fargo Nevada Nat'l Bank, 270 US 438, 70 L Ed 669, 46 S Ct 326 (holding that acts induced by duress which operate solely on the mind, and fall short of actual physical compulsion, are not void at law, but are voidable only, at the election of him whose acts were induced by it); Fiske v Gershman, 30 Misc 2d 442, 215 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 US 571, 84 L Ed 479, 60 S Ct 85.

<sup>3</sup> Fiske 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)

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

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

“The Trade or Business Scam”

<http://famguardian.org/Subjects/Taxes/Articles/TradeOrBusinessScam.htm>

YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

12. Admit that there is no block on an IRS form 1040 where a person can write earnings that are not derived from a “trade or business”

[Click here for IRS Form 1040](#)

13. Admit that the only way to indicate earnings that are not connected with a “trade or business” is to submit an IRS form 1040NR.

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

14. Admit that a person who has no earnings from a “trade or business” would have to file a “zero” for “gross income” on a 1040 return.

YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

15. Admit that a person who is a “nonresident alien” may NOT lawfully elect to declare themselves a “citizen” within the meaning of [8 U.S.C. §1401](#), because they were not born in the “continental United States” as established earlier in questions 3.2, #8 through B.11.

YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

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

[Why You Are a “national” or a “state national” and not a “U.S. citizen”](#)

<http://famguardian.org/Subjects/LawAndGovt/Citizenship/WhyAUSNational.pdf>

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

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

(a) Payments of \$600 or more

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

1 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

2  
3 CLARIFICATION: \_\_\_\_\_

4 18. Admit that those who have no “trade or business” earnings under 26 U.S.C. §6041 above cannot lawfully have an  
5 Information Return filed against them.

6 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

7  
8 CLARIFICATION: \_\_\_\_\_

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

12 [26 CFR §31.3401\(a\)-3 Amounts deemed wages under voluntary withholding agreements](#)

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

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

25 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

26  
27 CLARIFICATION: \_\_\_\_\_

28  
29 20. Admit that a nonzero amount for “wages” in block 1 of a W-2 form creates a rebuttable “presumption” in the mind of  
30 the IRS that the subject of the W-2 completed and submitted an IRS form W-4 to their private employer.

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

32 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

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

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

39 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

40  
41 CLARIFICATION: \_\_\_\_\_

42  
43 22. Admit that the same result as the preceding question also applies in the case of an employee who submitted a W-4  
44 under duress but who in fact did not wish to participate. To do otherwise would be to condone theft and robbery.

45 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

2 23. Admit that the only method available for rebutting false presumptions about the receipt of “wages” is to complete, sign,  
3 and submit an IRS form 4852 or 4598 to the IRS and/or one’s private employer.

4 [Click here for sample IRS form 4852](#)

5 YOUR ANSWER: \_\_\_\_ Admit \_\_\_\_ Deny

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

7  
8  
9 24. Admit that the IRS DOES NOT make the IRS Form 4598 entitled “Form W-2, 1099, 1098, or 1099 Not Received,  
10 Incorrect or Lost” available to the public on their website.

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

12 YOUR ANSWER: \_\_\_\_ Admit \_\_\_\_ Deny

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

14  
15  
16 25. Admit that *not* making the IRS form 4598 available on the IRS website has the effect of increasing IRS revenues  
17 derived form involuntarily withheld payroll taxes.

18 YOUR ANSWER: \_\_\_\_ Admit \_\_\_\_ Deny

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

20  
21 26. Admit that when an IRS employee or IRS publication encourages private nonfederal employers to withhold earnings  
22 from their private employees against their will or without their informed voluntary consent constitutes involuntary  
23 servitude in violation of the Thirteenth Amendment to the U.S. Constitution, extortion under the color of office, and  
24 peonage.

25 [Thirteenth Amendment](#)

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

28 *Section 2. Congress shall have power to enforce this article by appropriate legislation.*  
29 \_\_\_\_\_

30 [TITLE 42 > CHAPTER 21 > SUBCHAPTER I > Sec. 1994.](#)  
31 [Sec. 1994. - Peonage abolished](#)

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

39 *“**extortion under the color of office.** ...Unlawful taking by any officer by color of his office, of any money or*  
40 *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.*  
41 *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,*  
42 *509...” Obtaining property from another, induced by wrongful use of force or fear, OR under color of official*  
43 *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.*  
44 *1346; Lee v. State, 16 Ariz. 291, 145 P. 244, 246, Ann.Cas. 1917B, 131.”*  
45 *[Black’s Law Dictionary, 4<sup>th</sup> Edition]*  
46 \_\_\_\_\_

47 *“That is does not conflict with the Thirteenth Amendment, which abolished slavery and involuntary servitude,*  
48 *except as a punishment for crime, is too clear for argument. **Slavery implies involuntary servitude—a state of***

bondage; the ownership of mankind as a chattel, or at least the control of the labor and services of one man for the benefit of another, and the absence of a legal right to the disposal of his own person, property, and services. This amendment was said in the Slaughter House Cases, 16 Wall, 36, to have been intended primarily to abolish slavery, as it had been previously known in this country, and that it equally forbade Mexican peonage or the Chinese coolie trade, when they amounted to slavery or involuntary servitude and that the use of the word 'servitude' was intended to prohibit the use of all forms of involuntary slavery, of whatever class or name."

[Plessy v. Ferguson, [163 U.S. 537](#), 542 (1896)]

YOUR ANSWER:  Admit  Deny

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

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

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

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

YOUR ANSWER:  Admit  Deny

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

28. Admit that a person holding a "public office" in the United States Government is an "officer of a corporation"

YOUR ANSWER:  Admit  Deny

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

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

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

(b) Person defined

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

YOUR ANSWER:  Admit  Deny

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

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

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

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

1 *[NOTE: This is the "person" for the purposes of some of the miscellaneous penalties under the Internal*  
2 *Revenue Code]*

3  
4 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

- 7 31. Admit that indicating "income" on a 1040 that is "effectively connected with a trade or business in the United States"  
8 or signing and submitting an IRS form W-4 creates a presumption with the IRS that the submitter is an officer of a  
9 federal corporation called the "United States Government".

10 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

11  
12 CLARIFICATION: \_\_\_\_\_

- 13 32. Admit that the presumption that one is an "officer of a federal corporation" is the basis for why the IRS believes that  
14 they can institute penalties against natural persons under the provisions of the Internal Revenue Code.

15 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

16  
17 CLARIFICATION: \_\_\_\_\_

- 18 33. Admit that only those with income "effectively connected with a trade or business" can claim deductions, apply a  
19 graduated rate of tax, or apply for earned income credit.

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

23 *(a) In general*

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

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

27  
28 [TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter N > PART II > Subpart A > § 871](#)  
29 [§ 871. Tax on nonresident alien individuals](#)

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

31 *(1) Imposition of tax*

32 *A nonresident alien individual engaged in trade or business within the United States during the taxable year*  
33 *shall be taxable as provided in section [1](#) or [55](#) on his taxable income which is effectively connected with the*  
34 *conduct of a trade or business within the United States.*

35 *(2) Determination of taxable income*

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

38  
39 [TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter A > PART IV > Subpart C > § 32](#)  
40 [§32. Earned income](#)

41 *(c) Definitions and special rules*

42 *For purposes of this section—*

1 (1) Eligible individual

2 (E) Limitation on eligibility of nonresident aliens

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

7  
8 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

9  
10 CLARIFICATION: \_\_\_\_\_

11 34. Admit that at least a "perceived" financial benefit or "privilege" is accepted by availing oneself of any of the above  
12 three types of tax reductions.

13 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

14  
15 CLARIFICATION: \_\_\_\_\_

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

19 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

20  
21 CLARIFICATION: \_\_\_\_\_

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

25 [31 CFR 103.30\(d\)\(2\) General](#)

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

29  
30 Title 31: Money and Finance: Treasury  
31 [PART 103—FINANCIAL RECORDKEEPING AND REPORTING OF CURRENCY AND FOREIGN](#)  
32 [TRANSACTIONS](#)  
33 [Subpart B—Reports Required To Be Made](#)

34 [§ 103.30 Reports relating to currency in excess of \\$10,000 received in a trade or business.](#)

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

37 YOUR ANSWER: \_\_\_ Admit \_\_\_ Deny

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

40  
41 **4 AFFIRMATION**

42 I declare under penalty of perjury as required under [26 U.S.C. §6065](#) that the answers provided by me to the foregoing  
43 questions are true, correct, and complete to the best of my knowledge and ability, so help me God. I also declare that these  
44 answers are completely consistent with each other and with my understanding of both the Constitution of the United States,

1 Internal Revenue Code, Treasury Regulations, the Internal Revenue Manual, and the rulings of the Supreme Court but not  
2 necessarily lower federal courts.

3 Name (print): \_\_\_\_\_

4 Signature: \_\_\_\_\_

5 Date: \_\_\_\_\_

6 Witness name (print): \_\_\_\_\_

7 Witness Signature: \_\_\_\_\_

8 Witness Date: \_\_\_\_\_