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littlehammer's
Weekly Tax Exempt Newsletter
with
Questions and Answers
and
Conference Call Reminder

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Tuesday, August 28, 2001

- [1] Welcome: Misspeaks & Privacy - Taxes & Government Battles
- [2] Questions and Answers: Income from Federal Sources?
- [3] News Briefs & Comments: September's Washington Battle Heats Up
- [4] Conference Call Reminder: **Wed, August 29th, 9pm EST, 1-305-503-1874, Pin 940**
- [5] Contact Information, Legal Notice & Notice of Copyright explanation.

In this section (below), I explain why I use the bracketed phrases [THE COMPANY] and [THE FOUNDER] to refer to the founder and his company, who achieve the money-back-guaranteed results of having the IRS change their internal records to reflect the fact that each client is exempt from income taxes on any income, regardless of amount or source, unless the source of the income is the federal government itself or a trade or business under the sovereign jurisdiction of the government. [THE COMPANY] accomplishes this fully (and only) in accord with the Internal Revenue Code, and thus, none of their clients ever experience adverse IRS confrontation or court proceedings. (I also explain how to "unsubscribe" to this newsletter in this section).

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[1] Welcome

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Dear Friends,

Well, I guess it's inevitable. After publishing this newsletter in various formats for almost a year, there would come a time when I need to correct a "misspeak". Actually, since I'm going to do that, let me address another issue as well. Then, we'll get to the rest of the newsletter.

I'll take advantage of two pieces of correspondence I received this week to assist me. First, I'll address my "misspeak":

From: Paul Leinthall <littlehammer@primemail.com>
Subject: Re: question

Hi XXX,

Thanks for your note. You wrote:

Hi Paul, XXXX. from XXXXX here. Just a quick quick question as I know you stay very busy. I noticed in the 8/21 newsletter that the client will never see a 1040NR or any other in the "1040" series of "returns" since the company does not use these in their IRS filings, including the annual filings.

But on ours, The Company, did just here during August. It was a 1040N for the year 2000 state taxes return. It had to be signed and dated before Aug. 15th and taken to the postoffice which we did. We rec'd the pkg from the company on 8/13/01 and got it signed and dated & into the mail the next day the 14th as the latest was to be the 15th. Hope we're ok. It was a 1040N that we had to sign and then sent the green & white certified receipt in the return envelope to "the company". So wonder why we signed 1040N papers? (that came from the Company) Hope we're ok and that something hadn't been mixed up.

When you have a moment, you can jot me a note OK? You have a great weekend Paul. THANKS, XXXX.

Actually, I found out that I misspoke in my last newsletter. Here's what I SHOULD have said in that pertinent paragraph which (thankfully) raised the question in your mind.

That "revocation paperwork" will then be attached to many of the resulting filings that [THE COMPANY] will be making with the IRS, on the client's behalf. The client may not see a 1040NR, however, or any other in the "1040" series of "returns", since [THE COMPANY] often does not have to use actual "returns" in their IRS filings. The client always receives copies of EVERYTHING [THE COMPANY] files with (or sends to) the IRS, since that is required by law, regardless of what is filed on his behalf.

I was speaking from the experience of what has been filed on my behalf, and combined it with something I'd heard, and arrived at a partially erroneous conclusion. I trust I've set your mind at ease.

Sincerely,
Paul Leinthall

[Note from Paul at the writing of this newsletter: So, to make it clear: Even though [THE COMPANY] files a "return or statement" each year for each client, it may be either one, or the other, or both, depending on the particular circumstances of the client. Since I don't personally know what any particular circumstances are in the case of any particular client (even company representatives have no access to the information in any client's files, after the client has completed the initial application), I was aware only of what has been filed in my personal situation].

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The second issue is actually more important in my mind, which is the issue of PRIVACY. I will illustrate this with the FIRST paragraph in this next email to me, about which I'll comment after the paragraph. The rest of the correspondence would normally go in the next section (Questions and answers), but it's already here, so here it will stay.

From: Paul Leinthall <littlehammer@primemail.com>
Subject: Re: Very IMPORTANT question

You wrote:

Dear Paul,

YEH, thanks to your GREAT INSTRUCTIONS, I am on Acrobat Reader 5.0. I got your newsletter just fine. I about fell off my chair when I read my first letter to you in the newsletter. Gulp! What a complete surprise.

I've gotten lax in my attitude about including people's correspondence in my newsletter, without their permission, primarily because I do a pretty good job of concealing the person's identity. However, I did have two emails in this regard this past week. I've chosen this email to illustrate what I'm talking about, because it answers another question, as well.

The element that concerns me most (and which was reflected in the other email I received) is that I should take extra precautions to not provide any hints as to who the correspondent might be. Therefore, I will simply "X" the whole name out rather than to provide the person's name "x-ed" out except for the first initials, and I'll do my best to not let any other details that really aren't pertinent to the correspondence slip through, that may tend to give away the person's identity, such as having the number of "x's" correspond to the actual number of letters in the name.

However, while I'm not planning to return to asking permission to use each questioner's correspondence, I will leave it to the questioner, who might be concerned, to specifically ask me to NOT use their correspondence in my newsletter. I don't mind someone being surprised to see our correspondence in the newsletter, I just don't want them to be negatively affected. Since most people don't have a problem, I'll do it this way.

I am also able to copy my Tax Application (except half way through the ink cartridge decided to run out), but at least that hurdle is completed.

---I have a VERY important question for you. I just get a job with the xxxxx AND my job is Title I--a Federally funded program where I will be teaching remedial math and reading. Wow, my heart sank--I need the job but NOT a job funded by the FEDS. I hear it is a grant to pay the instructors salary. OH MY GOSH, AM I NOW CONSIDERED A FEDERAL GOVERNMENT EMPLOYEE--THAT WILL BE THE CURSE OF MY LIFE? Would you please check with your company and see if I am actually employed by the Federal government itself. Right now I am VERY sick to my stomach, to think I am that close to being tax free.

Thanks again for your help.

XXXXX

Hi XXXXX,

The key to being a federal employee is that you are paid DIRECTLY from the Treasury of the United States; in other words, your pay check would have to have the words,

"Treasury of the United States" in the upper left-hand corner of the paycheck (or something that would indicate that was the case). Sometimes, people who think their money is coming DIRECTLY from the federal government, and who, in place of receiving a paycheck, have some form of direct deposit, may be surprised to learn that the money is actually not coming from the United States Treasury, itself, but from a second (or even third) party paymaster. Such, for example, is the way it is with "social security" checks.

Another example is that most people "think" that folks who work for the United States Post Office fit in the category of "federal employees"; but the ONLY person who fits in that category is the Postmaster General himself/herself. Some postal employees, of course, may qualify as "federal citizens" by virtue of living in a "federal district or territory", such as Washington, DISTRICT of Columbia, or the American Virgin Islands (which are one of the "territories" of the federal government, along with Puerto Rico, Guam, American Samoa, and the North Mariana Islands), and hence, would probably not benefit from [THE COMPANY's] services.

I'm sure you'll find it to be the case, with the federally "FUNDED" program you've entered, that your income is NOT directly from the Treasury, whether by paycheck or by "direct" deposit.

And a third example is the difference between ACTIVE military personnel and retired military personnel. As soon as a person retires from the military, although he is still paid by the government, the actual check comes via a second (or even third) party paymaster. But, if that retired military person would still RESIDE on the military base (highly unlikely), he would, again, not qualify due to living on federal property.

So, put your mind at ease. There's no cause for concern.

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We won't spend as much time in the question and answer department as the last couple weeks, because the "News Briefs and Comments" section is quite long today.

See you next week.

You friend,
Paul Leinthall
661-822-7889, Noon-8pm Mon-Fri EASTERN time
email: littlehammer@primemail.com

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[2] Questions and Answers
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From: Paul Leinthall <littlehammer@primemail.com>
Subject: Re:[THE COMPANY]

Hi XXXX,

I answer in my usual way:

Dear Paul,

I corresponded with you a few months ago and the only thing holding my wife and I back from reclaiming our tax exempt status has been the funds to do so. As I had mentioned before, XXXXXX and I have a XXXX XXXX and have not earned enough to pay taxes for the last 10 years and therefore are not interested in recovering any money for past taxes due. However, about three years ago we did become involved in a 'trust system' that required setting up a family trust and a fiduciary trust. As a trustee, my wife signed the IRS forms when applying for the EIN # and I signed as a trustee the income tax forms when filing the yearly income for these trusts. Again there was no tax due because of so little income.

What are the fees involved with reclaiming the tax exempt status for my wife and I given the above situation?

[THE COMPANY's] fees are not based on whether, or not, they "go back" for past taxes paid. Here's why: The processes which the company uses are the same, regardless of whether a person has filed faithfully every year prior to becoming a client, or whether he was a non-filer (as I was) all those years. Nor do the fees have anything to do with whether, or not, a person had taxes withheld, or paid taxes, or got any money back. The only folks who "pay" anything for [THE COMPANY's] services of recovering "found" money, are the folks who get to enjoy the "found" money. In other words, the folks who get money back, that they never could have recovered in any other manner, agree to give the company one dollar out of every three [THE COMPANY] recovers. That is the "standard" collection fee.

The direct answer to your question is that the fees are the same for all clients, and the ONLY variations are based on the following distinctions:

The first year's fee for a single person who is an applicant is \$2500.
The first year's fee for a married couple is \$3100

The only other two variations of normal fees apply to minors of clients, living at home, who have NEVER filed a tax return (First year's fee \$450) or who have only filed ONE tax return in their life (\$1000).

For ANY applicant who has levies, liens, garnishments or seizures, he pays an extra \$750 with the first year's fee and his third year fee is the same as the second.

The Second Year's fee, for any applicant (single or couple) is a calculation, where a figure of the AVERAGE of the prior three years income is multiplied by six and one quarter percent (.0625), resulting in the actual amount for the 2nd year's fee.

Also, my wife is starting a new job requiring her to fill out the W-4 form for federal and state. As a client, would she be able to write 'exempt' on the forms or would she have to wait until (THE COMPANY) gets her paperwork processed? She was a[n] xxx immigrant who became a naturalized US citizen about xxx years ago.

She should wait until she receives her "second pack" from [THE COMPANY]. That comes two weeks, or so, AFTER applying.

My final question is about the corporation sole. In a past newsletter it was mentioned that the Catholic church used this entity for its financial reporting. Is

it still possible to establish a church using the corporation sole as the financial entity to which people can donate and receive a tax deduction?

Yes, that's one of the advantages of a Corporation Sole. A Corporation Sole can be formed for other altruistic purposes, as well (e.g., educational, people or earth benefiting mission of some kind, etc.), and not simply "religious" purposes, and, yes, obviously for "church" purposes, too.

Thank you for your newsletter and all the assistance you are giving!

Sincerely,
XXXX

You're welcome, and I trust I helped with my answers.

Sincerely,
Paul Leinthall

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From: Paul Leinthall <littlehammer@primemail.com>
Subject: Re: taxexempt

Hi XXXX,

My son is [a client of [THE COMPANY]], and I would like to join also. I have questions concerning my situation...I am xxx and my first wife died... and I have since remarried. Both were joint return filings. I am trustee for three trusts. One is my own revocable, #2 is a non revocable for my first wife's assets in trust for the children, and #3 is a trust from my mother to my kids and I may take principle during my lifetime. I receive the income into my account from the other two trusts.

Is it possible to exempt all three or just my own? If just my own will the income on the other two become exempt when it reaches my account?

The work [THE COMPANY] does applies ONLY to individuals who would "normally" file using a "1040 Form U.S. Individual Tax Return". A Trust is a separate entity, which is based on whatever laws apply to the particular kind of trust it is, and any particular trust may (or may not - but probably WILL) have some form of tax filing/reporting and perhaps "paying" requirements.

The "problem" with trusts, when it comes to dealing with the IRS on an individual basis and their "individual" tax filing/reporting/paying requirements, is that many people are trying to "hide" their legitimate income from the IRS via trusts. The IRS is aware of these tactics, and particularly during the last decade, they have been more intent on "sniffing out" people using these vehicles in an attempt to evade taxes. The additional problem is, from the perspective of the IRS, if it looks like a trust and walks like a trust, and they can attach an "individual's" name to any bank account, they are tending these days to think the trust is suspect. Then they're either out to prove the trust itself has tax paying requirements, or that the individual managing the trust is operating the trust as his alter-ego, in which case, they'll try to show that as much income as possible to the trust is taxable income to the individual.

If you stop to realize what I said, I think you'll see I've pretty much answered your question. [THE COMPANY] doesn't get the trust to be tax exempt; but if the manager or trustee is herself tax exempt as an individual, and the trust itself does not have inherent tax paying requirements, then the IRS can go right ahead and assume the trust is an alter-ego, but it's an alter-ego to a "non taxpayer", tax exempt client. At that point, the IRS quickly loses interest.

I currently use a CPA and file for all three trusts.

Yes, and even if you become a client, you would probably still keep doing it that way for the trusts themselves. The only thing that would change is that the company would do all of your filing for you as an individual, but NONE of your income would be taxable. (Unless you have, or at some point you choose to have, income from one of the sources that the Internal Revenue Code defines as "taxable" - which, in simple terms, means "federally sourced income").

I noticed on page three of the 8-21-01 newsletter that original signatures are required and I believe that as trustee I can sign where the original person can no longer sign. If you think that is a problem, I would appreciate your advice. Thank you for your attention and I am looking forward to your answer so I will know whether to proceed or not.

As long as you're fulfilling the law, it should be no problem. I was referring to the paperwork [THE COMPANY] files on the behalf of their clients, and it was specifically in regard to this class of filing with the IRS that the IRS recently changed some of their "rules", which requires [THE COMPANY] to provide, for example, an "original" 2848 form (limited power of attorney form) each year, rather than a "copy" as they have allowed in the past.

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My understanding has always been that the IRS NOT a part of our government but rather:
a private corporation
a Puerto Rican Trust
a member of the Interpol,
and has its own treasury department (that signs our cancelled checks)

XXX

In the law dictionary (Black's 6th), "bureau" is defined as, "An office for the transaction of business. A name given to the several departments of the executive or administrative branch of government, or their divisions. A specialized administrative unit. [That sounds like the IRS, doesn't it?]. Business establishment for exchanging information, making contacts, coordinating activities, etc."

Why can't a private corporation be a "bureau"? Why can't a "bureau" be a Puerto Rican Trust? Why couldn't it also be a member of Interpol (International Police Organization)?

And, of course, it could (and I believe does) have it's own "department of the treasury" - not necessarily to be equated with the "United States Treasury".

It's all a word game. Words can be "manipulated" to sound like they're saying something they're not, but because they come from an "authoritative" source and sound good, people believe them.

But so what? What does ANY of that have to do with what [THE COMPANY] does? Who even cares, as long as [THE COMPANY] accomplishes the results we all want - which is to be free from most (if not ALL) State and federal income taxes?

Sincerely,
Paul Leinthall

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[3] News Briefs & Comments
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Let's start out with a "win" in court for a "tax protester". You don't see many of these, so I thought it might be fun to included it in this section. I'll comment on it in a moment.

From: "Privacy Club International" <PCI@lb.bcentral.com>
Subject: TAX COLLECTORS LOSE AGAIN !

PRESS RELEASE - PRESS RELEASE - PRESS RELEASE

FOR MORE INFORMATION
Don Fecay: (H) 734-753-9855
(Cel)313-399-0035

August 9, 2001
New Boston Man Blows Away Five Felony Charges Involving His Failure To Pay Michigan State Income Taxes

It took a Detroit jury only 2+ hours today to find Don Fecay of New Boston, Michigan, not guilty of five felony counts charging him with intent to evade and defraud the State of Michigan of income taxes. Fecay admittedly did not file and pay income taxes to the State of Michigan for the years 1994 through 1998. Following procedures developed by noted tax critic Irwin Schiff, Fecay filed Schiff's "zero" returns to the Federal government for the years 1994 through 1998. These returns include an attachment which explains why the filer believed he received no taxable income, even though he might have actually received \$1,000,000 in wages, dividends and trading profits. Since Fecay believed he had no "income" under federal law for the years 1994-1998 , he didn't bother to file State income taxes, since the State's tax return asks you to report as income to the State of Michigan what you reported on your federal return. Since Fecay reported no taxable income to the federal government, he believed he had nothing to report to the State of Michigan.

Fecay went over his attachment to his federal tax return while on the witness stand testifying on his own behalf. He explained that the prosecution tried to use one of Schiff's books, "The Great Income Tax Hoax" against him. However Fecay was told by a juror after being found not guilty that that book convinced the jury that Fecay was right.

The trial began on August 7th, 2001 and took place in the Frank Murphy Hall of Justice in Detroit. The jury's verdict was handed down on August 9, 2001.

I immediately thought several things upon reading this. First, the gentleman took the stand himself. If you get in a courtroom, and you're able to articulate your position clearly and with some modicum of confidence, AND if you have an amenable jury and they "like you" - you'll stand a much better chance. If you've seen the movie "Gladiator", you may remember the character, played by Oliver Reed telling Russell Crowe's character something to the same effect, i.e., "Win the crowd, and you'll win your freedom". (By the way, if you have NOT seen that movie, I recommend it highly. I just finished watching it again, last week, for the fifth time. You'd think I'd remember the characters' names a little better, wouldn't you? But I watch it for the moving experience it is, and I'm sure I will again, because it is really a GREAT movie. Maybe, when I'm no longer "moved" by it...)

I also realized he was in court for State income taxes. And his argument in THAT court was a sound one; i.e., "If I have no federal income, I can have no State income to report, because your own forms say, 'enter the amount of federal income from your federal tax return'".

But after all that, it was Irwin Schiff's book that convinced the jury. Boy. I bet the prosecution hated the fact that the book itself got introduced into evidence. And I bet the jury didn't know about the court failures and prison sentences of the author. Lots of people get started in their own "tax protesting" movement by reading Irwin Schiff's books; I know I did. Unfortunately, not all have the same favorable outcome as did this gentleman; in fact, far more people get into trouble using Schiff's material, as has Schiff himself. I think it would have been a different outcome had this man been facing the IRS in federal court.

I wonder how much it "cost" him to achieve his victory, which, after all, may only be temporary, since he has a potential of lots of other tax years to "battle".

Much better, from my perspective, to stay out of the judicial arena altogether.

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The apparent "battle" is heating up, where, on one hand, we have the members of the "tax honesty movement", led by "We The People's" Robert Schulz, planning to meet the federal government's leaders in Washington, D.C. in September and, on the other hand, the IRS, stepping up it's "propaganda" literature, as evidenced by four subscribers this week sending me the IRS' PDF file on "Frivolous Tax Arguments". (I had been flagged to this IRS publication two or three weeks ago by another subscriber, after which I "downloaded it" to my computer. After reading it, I've come to the conclusion that the IRS seems to be wanting to increase it's thrust toward indoctrination in the minds of the American people).

WorldNetDaily has been running a series of articles about this, so I'll let the following article be my excuse this week for interacting with this whole issue and imputing my own comments, based on what [THE COMPANY] understands and which lies at the foundation of [THE COMPANY's] successful results.

THE POWER TO DESTROY

Tax activists refute IRS claims**Former revenue chief: 'We're confiscating property now. That's socialism'**

Editor's note: Brought about by the successful hunger strike of tax activist Bob Schulz, an historic meeting between the federal government and leaders of the "tax honesty movement" will take place in Washington, D.C., on Sept. 25 and 26. WorldNetDaily will be there to cover the proceedings.

Leading up to this high-profile confrontation over the legality of the income tax, the following is the second in a series of reports discussing an internal document from the Internal Revenue Service's own website. The document is intended to guide the agency's employees in how to deal with what the IRS calls "frivolous tax arguments." Part 1, "IRS bashes 'frivolous tax arguments,'" was published in Tuesday's WorldNetDaily.

By Jon Dougherty

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Tax experts, including one who spent a year researching whether enough states properly ratified the 16th Amendment – which authorizes Congress to collect income taxes -- are as insistent as ever that Americans are not mandated to pay Uncle Sam a portion of what they earn every year.

"I've read all of the cases the IRS mentions" in its 25-page document entitled http://www.irs.gov/ind_info/friv_tax.pdf "The Truth About Frivolous Tax Arguments," said Bill Benson, author of "The Law That Never Was," a book many believe debunks the government's claim that the income tax is legal and that the IRS is a properly authorized government agency.

Very simply, he says there is no actual law authorizing an income tax.

"They must have a law in order to have any of this [the income tax] to apply," Benson told WND. "They must have a law from its inception, and they don't have that."

That is correct - in part, at least. There is no law authorizing an tax on the income of MOST Americans. In other words, there is no law that automatically or inherently requires most Americans to pay income taxes or file tax returns. The operative words being "automatically or inherently". At least not anyone who was born or naturalized in this country and who RESIDES in any of the 50 States.

So, if that is correct, what is the ground of lawful authority for the IRS to have seeming jurisdiction in the lives of most Americans? What makes it possible for the IRS and, by extension, the federal government via the federal courts, to have such power in the lives of most people in this country, regarding the subject of taxes on income?

I've talked about it in just about every newsletter. There is a law - or a part of law (not a part of "a" law, but a part of law) which, when certain conditions are met, gives the federal government and the IRS power to expect the person to file a report ("return") and pay taxes on his income, as long as that income exceeds a certain amount, and when the person's "deductions and exemptions" aren't enough to enable that person to not have to pay any taxes that year.

What is the law that gives the government that authority? It's the Law of Contracts. It's the part of law, mentioned in the Constitution, where it says, "No State shall...pass any...Law impairing the Obligation of Contracts..." (The Constitution of the United States of America: [I:10:1] - that's Article I, Section 10, paragraph 1).

Why does the Constitution talk about the law of "Obligation of Contracts" so early in the founding of our country? Because the founders recognized, in their inherent quest and recognition of the unalienable right to "Life, Liberty, and the Pursuit of Happiness" (and "property", as earlier versions included) that, inherent in the meaning of freedom, was the "right" of any person to engage in a CONTRACT, or agreement. A contract is an agreement having certain terms and conditions inherent therein, to which the signors agree, the failure of fulfilling of which allows the "injured party" to seek satisfaction in court.

That "LAW", and the recognition of the "obligation of contracts" has been inherent in ALL the laws of this land from this country's inception.

Without understanding that ALL the power of the IRS in the lives of people, regarding whom the IRS has no "natural or inherent" power, comes by way of CONTRACT, a person "misses" the whole thing. He misses the "simplicity" of the answer. Missing that simplicity, he then has not much choice but to run around, scratching his head (and ultimately beating his head against a wall), trying to understand how "the law that never was" gets to be "the law that seems to be".

Again - not to bore you with repetition, but for the new subscriber - just as "no law requires a person to sign for military duty" and "no law requires a person to have a credit card", both of which contracts carry certain (and sometimes "heavy") responsibility upon the "voluntary election" thereto, and both of which (contracts), once having entered, "limit" one's rights and abilities to act in the same FREE manner that were available prior to "signing"; and particularly is this so in the failure to perform according to the "Obligations of the Contract".

With the IRS, of course, each person entered the "adhesion" contract upon completing AND signing, under penalty of perjury, her FIRST "1040 Form U.S. Individual Tax Return", thus obligating herself to ALL the Obligations (Terms and Conditions) of that contract, which are spelled out in what we call "The Internal Revenue Code" ("Title 26" of "The United States Code", which is comprised of 50 Titles).

[A former criminal investigator for the Illinois Department of Revenue for nearly a decade, Benson said he has "17,000 certified and notarized documents showing that the 16th Amendment is an absolute, complete and total fraud."](#)

[When asked where he got the documents, Benson said they came from "the 48 continental United States," gathered during his one-year research effort in 1984 aimed at verifying whether or not the income tax amendment had been properly ratified.](#)

[But even activists within the "tax-honesty movement" grasp the reality of the mission they seek to accomplish: namely, to force an admission from the federal government that their arguments are correct. For Uncle Sam to admit his mistake could open the government up to unfair taxation recovery lawsuits that would](#)

make even the landmark tobacco litigation lawsuit – settled for hundreds of billions of dollars – pale in comparison.

"I have made it a personal stand not to argue the code with people. As far as I'm concerned, that is nothing more than willfully walking into quicksand," said Devvy Kidd, another noted tax activist. "You can't win the argument."

I agree that you generally can't win the argument. Besides, it's fruitless and unnecessary, ONCE YOU REALIZE where the IRS' real power originates in your life (which I described above). Even if you could win the argument, you would still have the law of contracts to deal with.

In the IRS document cited by Benson, there are lots of references to court cases and IRS code. But the problem, as WND's "TalkNetDaily" radio host and staff writer Geoff Metcalf points out, is getting the federal government to cite the legal chapter and verse of the law that requires mandatory payment of income taxes.

"I have often noted that if in fact we are compelled by law to pay income tax and the 16th Amendment was in fact properly and legally ratified (and it wasn't), then the government should be able to conclude their response in less than five minutes by merely stating, stanza and verse, where the law is, and how it applies: 'See here? Page such and such, paragraph such and such, subparagraph such and such. Now shut up and go home,'" said Metcalf.

One of the most compelling arguments of income tax opponents is the claim that the 16th Amendment was never even properly ratified, although understandably the IRS refutes that.

AND, as long as people keep being side-tracked into "off-point" arguments and discussions, such as whether, or not, the 16th Amendment was properly ratified, it keeps peoples' attention off the real issue, which is the POWER of CONTRACTS, including the right of free-born or naturalized sovereign States' residents to enter therein - no matter how "stupid" they may later think the contract to be. And, while people argue about the 16th Amendment, even the IRS doesn't have to talk about the fact that the power they wield in a person's life is enabled by CONTRACT law, which each individual granted to them by way of his voluntary election, even though no law required him to that election.

"This argument is based on the premise that all federal income tax laws are unconstitutional because the Sixteenth Amendment was not officially ratified, or because the State of Ohio was not properly a state at the time of ratification," says the IRS document. "This argument survived over time because proponents mistakenly believe that the courts have refused to address this issue."

However, the IRS says the amendment was properly ratified by "forty states, including Ohio, and issued by proclamation in 1913. Shortly thereafter, two other states also ratified the [A]mendment."

"There were enough states ... even without Ohio to complete" the required three-fourths of the states to ratify the amendment, said the IRS document. "Furthermore, the U.S. Supreme Court upheld the constitutionality of the income tax laws enacted subsequent" to the ratification of the amendment.

In his research, however, Benson found that only four states ratified the amendment "without changing the wording." He maintains that, constitutionally, states cannot change words or punctuation when voting to accept or reject a constitutional amendment.

"The only thing the states can do is accept or reject the wording (of an amendment) as is," Benson told WND. "The legislatures of each state cannot change any of it. Otherwise, we'd have 48 different versions of the law."

"What is stated [in the IRS document] is a bald-faced lie," Kidd said.

"Since it was never ratified and we can prove it wasn't, then apportionment is still in effect and again, everything else is moot," she said. The government's "progressive, unapportioned tax is, and always has been, unlawful."

NOT when you AGREE to it by Contract it's not. The Fact is, YOU signed the contract. And the proper question to be asking is: "How do I get out of the contract I voluntarily elected to enter? I can't plead ignorance, because, the Supreme Court has ruled (numerous times), 'Ignorance is No Excuse'. So, how do I get out of it?"

The ANSWER to that is what this newsletter is about, because it points to [THE COMPANY] that handles this for their clients by way of two processes: The Revocation of Election PROCESS and The Determination of Tax Status PROCESS, the completion of which, leaves the client FREE of both federal and State income tax liability - "exempt" from income taxes (in most instances, except federally SOURCED income) - and determined By THE IRS to be a "NON taxpayer".

Rather than dicker over IRS codes, legal impressions and court cases, Kidd and other "tax-honesty" proponents believe the key to discovering the legality of income tax lies in proving these contentions:

- That the IRS is not an authorized agency of the government and has no authority to conduct business;

Good Luck, for all the effective results you can expect to obtain! That's as much a waste of time and even more fruitless than the 16th Amendment argument. Which argument do you think people are MORE convinced about: That the 16th Amendment was not properly ratified, or that the IRS is not "authorized" to come after a person for not paying his "fair share"?

- That the government's jurisdiction is not valid;

Ah! but what about the CONTRACT you signed, by which you VOLUNTEERED to give the government jurisdiction (same as the military contract or the credit card contract)?

- The fraudulent ratification of the 16th Amendment unlawfully wiped out the apportionment clause of the Constitution;

NOT for those who have gone through the "revocation of election process" and who realize the distinction regarding the "SOURCES" of income. Most people do NOT have income from the taxable sources defined and delineated in the Internal Revenue Code, since ALL of the sources are "federally" connected sources. Minus that, once you've

fulfilled your "obligation" to the contract, by properly revoking it, according the proper administrative procedures, you have no more "obligation" to the "income tax liability" terms of the contract. And, isn't THAT what you want? To be Income TAX FREE? If you're FREE from income taxes, do you really care whether, or not, the 16th Amendment was properly ratified?

In the case of clients of [THE COMPANY] of course, they don't have to concern themselves with any of these arguments, because [THE COMPANY] never fails at achieving the results of having the IRS determine they truly are "non-taxpayers".

- That an individual is, without question, forced to involuntarily surrender his Fifth Amendment right against self-incrimination by filing any income tax form under penalty of perjury.

Sorry, Devvy, you DID freely sign your first 1040 form, did you not? Did anyone hold a gun to your head? I realize you may not have KNOWN you were surrendering your 5th Amendment rights to not have to testify against yourself, and that you were agreeing to furnish figures of income on future tax returns, which the government could use against you in a court of law, in "apparent violation of your 5th Amendment rights", but ignorance is no excuse, and it certainly doesn't win the battle for you, as you well know. You won't win this argument here. with the IRS, any more than you would if you tried to use it once you'd elected into the military.

Another area of concern, Kidd says, is that the courts themselves can't even decide, in a universal manner, what constitutes an income tax or what the income tax really is -- direct or excise.

I won't argue with you on this one. In fact, I and [THE COMPANY] agree with you. [THE COMPANY] even states something similar to this (but not exactly this) in some of the paperwork that is filed with the IRS on behalf of each client. Primarily, [THE COMPANY's] statement is that the courts can't agree on exactly which section of the IRS code imposes an obligation to file tax returns. BUT, just because the courts can't agree, doesn't relieve ME (or you) from fulfilling the OBLIGATION of the contract into which we both elected, does it? That's why [THE COMPANY] continues to file a "return or statement" every year for each client, even though there is no liability for paying income taxes accompanied with it.

The proper time to disagree with a contract is BEFORE I elect to attach my signature, especially my signature "under penalty of perjury," wherein I testify that I have EXAMINED the contract, and ALL the STATEMENTS (including the statement which constitutes its title, saying I am a "U. S. Individual" for tax purposes), and to the best of my belief AND KNOWLEDGE - they are TRUE and CORRECT! Since I've already admitted my "knowledge", I've given up the right to plead ignorance. It's my own responsibility, before signing any contract, to understand the law - to understand the terms and conditions of the contract. That where the saying comes from: "Let the Buyer Beware".

"That's a fact and it creates what is known as a problem [IRS] document" she said.

Unfortunately, once you sign the contract, it's generally not the IRS who has the "problem" - document, or otherwise.

Even former IRS commissioners have questioned the legitimacy of the very agency they serve.

"... We're confiscating property now. ... That's socialism. It's written into the Communist Manifesto. Maybe we ought to see that every person who gets a tax return receives a copy of the Communist Manifesto with it so he can see what's happening to him," lamented T. Coleman Andrews, the Democratic commissioner of the IRS during the first 33 months of the Republican administration of President Dwight Eisenhower.

But the one fact dogging nearly every tax honesty advocate is this: Regardless of the actual legitimacy of their arguments, the courts, Congress and most of the American public don't see it their way.

By now, you're probably understanding "why" that is so. They've experienced countless numbers of "taxpayers", who have not understood what we're talking about here, come to court with their "frivolous arguments" - frivolous because they have neglected to properly handle their responsibility for the contract at the administrative level of the IRS - and they've seen them pay fines and penalties and serve time in jail - ALL without understanding this simple concept of contract law.

Then, when you look at all THAT "evidence", it's pretty hard to believe it can be as simple as I describe it. And because there's all that "evidence" that it can't work, most people don't realize that what they're seeing "not" work is people not handling the issue in the manner prescribed by the Terms and Conditions of the Contract itself. If they were handling it properly, according to the terms and conditions of the contract, they wouldn't be going to court in the first place, because it would have been handled at the administrative level, without having to go into the judicial arena.

That's also why almost every client of [THE COMPANY] has some family members or friends who are "waiting to see what happens", before they will choose to become clients. More accurately, they're waiting to see "if" anything "bad" happens; and then, perhaps, when enough time has gone by, or when the client gets a letter from the IRS saying they have determined he is a "non taxpayer", then they, too, will choose to be free.

The IRS can point to dozens of rules, regulations and court cases -- many decided by the U.S. Supreme Court -- backing the agency's position that it has a right to tax all of the income earned by American workers.

Yep! The sure can. But again, it comes via contract law; and that contract can be handled and "revoked" to the degree you can be FREE from most (if not ALL) federal and State income taxes.

Also, even critics of the agency acknowledge that it must collect the amount of money Congress approves in the federal budget every year. And once passed, Congress expects the Treasury Department to fill the nation's coffers.

Well, I won't argue that the agency attempts to collect a certain amount of money each year; but I would disagree with the idea that it's because the government needs the money of hard working people in order to operate and provide benefits to people. That's a separate subject, of course, one that I addressed last week, to some extent, as well as in previous newsletters.

Finally, most states have agreements with the IRS to provide the agency with information. Under these agreements, individual states and the IRS notify each other about taxpayers that failed to file returns. The only state that does not have such an agreement is Nevada.

Regardless, a person can be income tax exempt in all 50 States, while at the same time NOT being classed as a "non-filer".

Nevertheless, tax activists say the September meeting in Washington, D.C., will once and for all provide them with an opportunity to address their concerns face-to-face with government and, hopefully, IRS representatives.

"We intend to prove our points at the hearings next month," Kidd said.

I've afraid that, unless you start questioning them about the issues of a clear delineation and distinction of what the defined "sources" of taxable income are, and just WHO is defined as being "automatically" under the jurisdiction of the Internal Revenue Code, and how people who are not naturally under that jurisdiction come to be under IRS jurisdiction (via the obligation of contracts), you're going to come away disappointed, and "not much of substance" will have been proven.

Fortunately, as clients of [THE COMPANY], we don't have to be concerned about the outcome, although I'm sure most of us are interested in what occurs. For those who want to know more about how to be free of income taxes, before (and regardless of) the outcome in Washington, next month, we have a weekly conference call. More about that in the next section.

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[4] Call Reminder
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The TAX EXEMPT Conference Call, takes place Wednesday night, August 29, 2001, (and every Wednesday) at 9 PM EASTERN time. The number is: 305-503-1874, pin code 940 (No # required).

I want to mention something to new readers and to folks who have never been on THIS conference call. This call is NOT what you may be expecting when I talk about a "conference call". A lot of people today are used to big sales-hype conference calls, with a lot of "Rah-Rah-Rah". This conference call is NOT a "sales" call. No one is trying to get you to enroll in something, or asking or suggesting that you try to get your friends to enroll. This is a TEACHING call. It consists almost entirely of questions and answers. It's a great place to hear other folks ask all sorts of questions, and get any questions of your own answered, and it provides you the opportunity to get a pretty well-rounded understanding of what this is all about in 45 to 90 minutes. I think you'll find it's one of the best \$3 to \$5 values you can find today. (The telephone long distance charges for most people).

May I ask, that when you call, you use a regular "connected-to-the-wall telephone", not an internet phone, a cellular phone, or even a cordless phone. Also, please, not a speaker phone, either, because often speaker phones seem to disrupt the quality of the call. Pressing the number 5 on your phone will mute your end of the line, so everyone can hear better; then, when you want to ask a question, you can press the number 4 to

go off mute. If you can hear the noises, conversations, kids-playing, dishes clanging, and phones & faxes ringing where you are, we can hear it, too, and it makes it much more difficult to hear whoever is speaking at the moment. Thanks for your consideration.

If you like what you hear on the call, and you want to talk further to someone (including the call presenter) or ask more "personal" questions, remember how you heard about the call. No contact numbers are given out on the call, not because anyone is trying to hide anything, but because various representatives of [THE COMPANY] bring folks to the call. The call itself is not a "sales" forum and doesn't get involved in the sales "hierarchy".

See you on the call. Tell your friends about it, too.

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[5] Contact Information
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Also, this allows anyone, including other representatives of [THE COMPANY], who find this information valuable, and who want to share it with others, to substitute their name and contact information for mine, and not have to worry about potential clients of the company going over their heads and bypassing them. Since [THE COMPANY] sponsored conference call and Joe Lansing, the conference call presenter, follow this same philosophy of client protection for their representatives, the information in this newsletter can, then, be more widely disseminated for the value and education of others. In the newsletter, I may occasionally use the name of the conference call presenter, Joe Lansing; but that's because he is also out in the public forum with his conference call.

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