The Law They Hope You Never Read

By William A. Shields

At first I thought this issue was amusing. Then, the more I researched it, the more compelling it became, and today, I'm here to tell you that the subject of this column is arguably, the most important issue of our lifetime. I'm speaking of fraud on a scale so massive and so enduring it could only be perpetrated by the federal government. That is to say, a federal government operating way outside of the limits mandated by the Constitution.

Everyone knows you must pay federal income taxes. There are people in jail right now for income tax evasion. The vast majority of those persons, if not ALL of them, have voluntarily (you can't be forced to swear an oath) signed a return under penalty of perjury, swearing that they were subject to the income tax, and that all or most of their income was taxable according to the IRS code, (federal law Title 26). Then, they lied about how much income they earned giving the government everything they need to prosecute them successfully. The tax return becomes a signed confession of guilt.

Most Americans have never seen the law that requires them to file a return, and most have never researched the IRS code to determine how much, if any, of their income is taxable under the law as it is actually written. But everyone knows there is such a law, and everyone knows that all of their income is taxable.

What if everyone was wrong? It has happened before. Once upon a time, everyone thought the earth was flat. Today, almost everyone believes they owe federal income taxes. However, when the actual words, written in the IRS tax code are examined, an ugly truth begins to emerge. And the truth is, that most Americans have been systematically and intentionally defrauded into paying a tax they do not owe.
Did you ever wonder about the "voluntary" nature of federal income taxes? If the law requires one to pay, why does the IRS call for "voluntary compliance?" If one is charged with violating the law is his or her appearance in court voluntary? Does one serve time in a federal prison voluntarily or is there some sort of mandatory attendance associated with a prison sentence?

The reason for voluntary compliance is simple. The federal government is barred by the Constitution from taxing the income of most Americans. To tax each and every endeavor within the states is to regulate ALL activity, and where is the limited nature in that? The federal government is allowed by the Constitution to regulate international and foreign commerce, so they imposed an income tax applicable to income from international and foreign commerce. However, they still would like some of YOUR money, so they wrote the law in a very convoluted and easily misunderstood way.

But, as complex and torturous as it may be, the law must still be printed in English and in black letters on white paper. To determine one's taxable income under the law as it is written, one must find section 861 of the tax code and read what it says. The best way to start understanding this subject is watch Theft by Deception a fine documentary video produced and available from Larken Rose.

But don't take anyone's word for it. In order for you to refute the IRS's false claim on your money, you must know the law for yourself. Armed with that knowledge, you can stop voluntarily complying with a law that does not exist. To be more correct, stop complying with a misapplication of a law that does exist.

My research shows that at least 300 persons have requested clarification from the IRS on this subject in general and section 861 in particular. To date, the IRS has refused to address these questions and they have resorted to bullying, blustering and threatening. But ALWAYS they have refused to address specific questions about section 861. Also, to my knowledge, not ONE person has been prosecuted for relying on the written law as expressed in section 861 of the tax code, and has paid the least amount or taxes owed ZERO!

And legally paying zero federal income taxes is the most patriotic thing an American can do. Because most Americans are ignorant of the law, they have been unwittingly forging their own chains. It is the American taxpayer, more than anyone else, who is responsible for rampant federalism. The taxpayer is responsible for federal meddling into areas they have no business in, such as education and commerce, not to mention foreign aid.
and foreign entanglements.

In a Ponzi scheme the fraud eventually collapses from a lack of new investors. In the federal income tax fraud, there is no dearth of gullible prospects, because as P.T Barnum once noted, there is a sucker born every minute.

NOTHING SCARES THE IRS LIKE QUESTIONS ABOUT SECTION 861

By William A. Shields

When I last reported on the Section 861 income tax issue, I stated that the IRS and the Justice Department had ignored over 300 requests from various citizens to answer some valid questions concerning federal income taxes and their proper application to many citizens.

Since that time a new flurry of letters were mailed to the Treasury Department and the IRS - over one thousand at the latest count, sent via certified mail. I know, because I participated in the effort and mailed two letters myself.

Once again, some concerned citizens have asked their government to answer a few simple questions regarding the law of the land. And again, those persons have not received anything in return except a notice from the post office that the correspondence was received and signed for.

Comes now, Ken Evans, and an interesting lawsuit vs. the IRS / United States of America, filed in Federal District court, and decided by Federal judge Charles Weiner on Friday, October 3, 2003. Although the Judge ruled against tax honesty advocate, and plaintiff Ken Evans, some eye opening events occurred that seem to place this court squarely in the pouch wearing, outback hopping, marsupial category.

Evans suit was based almost entirely on the proper application of Section 861 of the Internal Revenue Code. The complaint, which can be read online at Evans' web site, stated that he did not engage in any of the specific sources or activities that generate taxable income, which are detailed in federal statutes, and are found listed in the regulations under Section 861. Mr. Evans sued to recover monies unlawfully withheld for years 2001 and 2002.

So the case was specifically centered on Section 861 and its proper
application. (See Section 861: The Law They Hope You Never Read.)

From Mr. Evan's press release:

"The law, though confusing is specific," states Evans, "The federal income tax is imposed under Section 1 on 'taxable income.' Other sections of the law generally define the terms 'gross income' and 'taxable income.' But, these definitions can easily be misread as if they apply to all money earned by everyone in the world. Which we all know isn't true. Section 861 and its related regulations, along with what the law calls other 'operative sections,' spell out exactly when income is taxable. The federal regulations state repeatedly that these are the sections of law to use to determine when income earned within the United States is taxed. Anyone can look them up on the internet."

So the argument before the court was: "Is Section 861 applicable in determining whether or not Evans received taxable income?"

Again from the press release:

The Department of Justice, representing the government, chose not to file any response to Evans' memorandum. This is odd because normal procedure in most lawsuits is to provide the court with reasoning as to why they believe the argument is either wrong or inapplicable to that situation. In fact, during a pre-trial conference ordered by the judge, an attorney for the government stated that a response would be filed, however none ever was.

But, the oddities don't stop there.

Evans also filed Interrogatories with the government. Interrogatories are specific questions related to the suit that one party asks of the other in order to clarify the case. The very first question Evans asked of the government was: "Are 26 USC § 861 and the related regulations beginning at 26 CFR § 1.861-8, applicable in determining Plaintiff's taxable income from sources within the United States in the instant case?"

The judge ordered a hearing for oral arguments on the parties cross motions for summary judgment. The hearing was held on August 22, 2003 and a transcript of the hearing is also available on Evans' web site. From the transcript it is apparent that Evans was arguing that federal law, specifically section 861, once properly applied, does not show that he has any liability for income tax.

"The hearing was very interesting," said Evans, "it seemed to me that the
judge wasn't very familiar with the specifics of the case. Every time I brought up the issue of the proper application of Section 861 and Subchapter N (which contains Section 861), the judge would change the subject by asking me what appeared to be argumentative questions. It was if the judge was more of my opponent than was the Department of Justice. Plus, there were two law clerks observing the hearing. They were giggling like school children, not paying much attention while the statements were being given. It wouldn't surprise me if the opinion was actually written by the law clerks, as is sometimes the case."

"One good thing did come out of the hearing, or so I thought," said Evans, "The judge instructed the Department of Justice to provide me with answers to my interrogatories. It's in the record. So, I thought to myself, 'Great! I can finally get something in writing from the government about the proper application of Section 861.' I even filed a motion to compel an answer to the interrogatories. The court accepted my written motion, which I also provided to the DOJ, but for some unknown reason, it mysteriously never showed up on the docket."

So, directed by the court to answer Evans' Interrogatories, the DOJ has failed to do so. And since the court didn't wait for or force an answer from the DOJ, then ruled in the government's favor, it is not likely that any answer will be forthcoming.

To add further insult to injury, the court totally disregarded the specific argument brought by Evans. That is, the proper application of Section 861. The three-page opinion, filed this past Friday does not mention the application of Section 861 even once.

It seems that the government has set the stage, manufactured the props and costumes, distributed the sheet music, brought up the curtain, started the music and kicked the plaintiff out on stage. What's more the critical revue was pre-written by the judge and the defendant who work for the same employer. They assigned Mr. Evans an argument he did not make, and then sanctioned him $1000.00 for bringing that same "frivolous" argument to the court.

Despite what many non-believers will tell you about this issue, including socialists like David Cay Johnston of the New York Times, if the arguments of folks like Ken Evans and Larken Rose are so frivolous, they can easily be dispelled by the IRS or the Treasury Department or the Department of Justice. They could simply answer the questions and show me the law. Yet they cannot and will not. Not when they receive one hundred letters and not when they receive one thousand. Not even when ordered to do so by a
federal judge.

A rational person, (even one who is not familiar with the 861 issue) can draw only one conclusion about this behavior by our government. They have something to hide. But like a teenaged unwed mother, that belly is getting bigger - and people are starting to talk.