



"Those who say it cannot be done should not interfere with those of us who are doing it"© - S. Hickman

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**IS THIS WHAT MAKES YOU SUBJECT TO INCOME TAX?
YOU BETTER THINK REAL HARD.
READ EACH WORD AND DON'T MAKE ASSUMPTIONS.**

[Livid Leigh](#)

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26 CFR 1.864-4. This section is used to define what it means to carry on a trade or business within the United States among other sections of the code. This section is critical and explains why the IRS answered Interrogatories the way they did that was posted on the net a few days ago. They made admissions but inferred there was other **SECTIONS** other than 26 CFR 1.861 sources.

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The fact that 1.861-8 (f) contains the statement that income that come from an "effectively connected trade or business" with the United States is a source to which the tax on income applies, is a key.

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When reading 1.864-4, although it applies to non-resident aliens, gives a clearer picture. That picture shows that whether you are either a US citizen or a non-resident alien, your income from a source "effectively connected with a trade or business with the United States" is taxable. THAT IS BE A REVENUE TAXABLE ACTIVITY. Isn't an excise tax essentially a use tax for a privilege?

What is a trade or business? I had defined this, in detail, in my book *Which One Are You*. What I did not define SPECIFICALLY as a "Trade or Business" in that section of my book, but elsewhere, was the following that is found in 26 CFR 1.864. A trade or business is defined as

dealing with the banking system. The Federal Reserve System has been delegated the fiscal agent of the United States to carry on the United States Trade or business using the debt obligations of the United States as the medium of exchange and transfer of same. This becomes one of the key elements of the tax on income because it is based on the amount of Federal Reserve "notes" and is why there is no dollar sign such as this **\$** appearing on any assessment, and, therefore, the liability that IRS does not want to talk about. It is **presumed** you know that the figures are in dollars. NOT SO. Prove they are MONEY dollars when none exist. Did you not transfer your check for worthless pieces of paper as stated by the Federal Reserve? It's right on the Internet under Federal Reserve and I posted it twice on e-mails. Monopoly dollars, yes.

When you get paid by check it is drawn on a bank by the company using that very banking system. You cash that check on the bank it is drawn without having an account. Any other bank you present it to will require you to have an account. Most banks will cash a check for under a thousand without an account. By law, all banks are "sister" banks under the same law and have to cash that check. When it is cashed you receive the debt obligations of the United States in a "transfer". It is not money as it only represents money. I am not here to go into all the laws, statutes and Regs., and will not because to do so this would be 1000 pages and I will let you do the research. I am just giving you why you MAY be subject to the income tax. For those of you that have *Which One Are You*, go to pages 160 to 162 then to pages 52 and 74 in that order. For those of you that don't, you will have to buy the book if you want to know.

The handling of these debt obligations and the income tax were both passed in the same year for a reason. The reason is evident when you get done reading this short article. Those debt obligations are the Federal Reserve Notes that represent IOU's of the United States to the Banking system that the United States created in 1913. The use of the Federal Reserve "notes" is an absolute commercial process no matter how you cut it. You are dealing in commercial paper that is not defined as money or

a "Note" in the UCC. It is a private scrip with a trade mark imprinted on the face of the note. Yes, Federal Reserve Notes are trademarked because they belong to a private banking cartel. That's why the government cannot charge you with counterfeiting money of the United States. Even the Federal Reserve says they are worthless paper until used to exchange for substance. You can be charged with infringing on the trade mark by printing Federal Reserve "notes" carrying the trade mark. Now, do you think the government is going to admit to this in a court case and blow the whole scam to wide open? You bet your sweet bippy they won't. You can only counterfeit MONEY as described in their CONSTITUTION, and Federal Reserve "notes" are not money since they only are worthless pieces of paper representing money. But, can they be representative of money because you cannot redeem the "notes" for MONEY at par. MONEY is never REDEEMABLE. Go ahead and take a dollar to a bank and demand the real MONEY that it is supposed to represent. They will not do it. The letter I have from the Comptroller's office, by Russell Munk, states that they can only be exchanged for the same paper money as there is no MONEY available backing the "note". Sure because it is private scrip. Now those that have my book will know what transfer means. Are you not transferring the debt and they want their cut for the Use of that transfer? The Transfer is the excise taxable activity carrying on a "trade or business" with the United States agents, the banks.

Now read very carefully 26 CFR 1.864 and you will see that any dealings with the banking system, in any form, deposits, withdrawals, etc., are considered "carrying on a trade or business with the United States". That's why they don't care who the hell you are, citizen, non-resident alien, foreigner, neutral, whatever. They all use scrip, don't they? What is one of the sources mentioned in 1.861-8? Banking, any kind of banking. So the use of the Federal Reserve Notes is subject to an income tax for the excise privilege of using the private trademarked scrip of the fiscal agent of the United States banking system in "transfer". Check out Title 12, 31 and 26. It is all there if you would but pick it up and read it.

Once you transfer a certain amount of private

IOU debt obligations you are subject to the liability that comes from using the private scrip in the trade or business of the United States. Why are they debt obligations? Now you see why they are first liens on all property that you think you own, but do not. This comes directly from the Federal Reserve page itself where they say the notes are worthless. Here are a few excerpts:

"Federal Reserve notes represent a first lien on all the assets of the Federal Reserve Banks, and on the collateral specifically held against them. Federal Reserve notes are not redeemable in gold, silver or any other commodity, and receive no backing by anything This has been the case since 1933. The notes have no value for themselves, but for what they will buy. In another sense, because they are legal tender, Federal Reserve notes are "backed" by all the goods and services in the economy."

Now do you know why the government wants a part of the first lien in the form of taxes to pay the federal reserve its' interest? Not one stinking dime goes to pay the government services they say you get. It goes to the Credit of the United States debt owed the Federal Reserve. On the back of all canceled checks returned to you from the bank it says, PAY TO THE **CREDIT** OF THE UNITED STATES TO ANY FED. RES. BANK. Are you not dealing in "a Trade or Business" of the United States when dealing in banking holding and receiving these debt obligations to which they can call in a portion of the lien denominated "Income Taxes" that are true EXCISES for the use of the debt obligations? Here is more:

Question

I thought that United States currency was legal tender for all debts. Some businesses or governmental agencies say that they will only accept checks, money orders or credit cards as payment, and others will only accept currency notes in denominations of \$20 or smaller. Isn't this illegal?

Answer

The pertinent portion of law that applies to your question is the Coinage Act of 1965, specifically Section 102. This is now found in section 392 of Title 31 of the United States Code. The law says that: "All coins and currencies of the United States (including Federal Reserve notes and

circulating notes of Federal Reserve banks and national banking associations) . . . shall be legal-tender for all debts, public and private, public charges, taxes, duties and dues."

This statute means that all United States money as identified above are a valid and legal offer of payment for debts when tendered to a creditor. There is, however, no Federal law mandating that a person or organization must accept currency or coins as for payment for goods and/or services. For example, a bus line may prohibit payment of fares in pennies or dollar bills. In addition, movie theaters, convenience stores and gas stations may refuse to accept large denomination currency (usually notes above \$20) as a matter of policy.

Don't believe me? Click on this www.ustreas.gov/opc/opc0034.html#quest6 and read it from the horses mouth.

Don't like it? What are you going to do about it? What am I going to do about it? What can you do about it? Absolutely nothing! Every one gripes and complains. Only a few have tried to do anything about it. It fell on 98 percent of the population's deaf ears. They don't want to go back to real money. They believe in the confidence game of private scrip, in that it is money to them because it allows them to purchase things of value. It is nothing more than first lien debt that is a tax on that scrip whenever it transfers (changes hands) so it can be continually taxed.

Example:

You get paid a certain amount of scrip. The IRS collects a portion through "income tax" (scrip taxes) leaving you with less scrip. With what is left you buy a Refrigerator from a dealer. He pays on the income from that sale at business tax rate, so part of your already taxed scrip gets paid to IRS again. The dealer buys from the Mfg.. The Mfg. pays a tax on its income from selling to the dealer, which again is part of the scrip you received that was already taxed. Finally it comes to the Mfg.. He pays an income tax on that sale to the dealer, so more scrip is paid. So on the original amount you received the tax lien was collected upon many times over. Let us say that you worked for that Mfg.. How did that Mfg. obtain that money to begin with? He borrowed. From whom? The bank. What did he borrow to pay you? Debt

obligations denoted as ledger accounts. Did the Mfg. transfer to you a ledger account (check)? Yes he did. Did he have to account for his outlay to the IRS in the form of a W-2 for his business purposes? Yes. Did you cash that ledger account for a debt obligation, Federal Reserve note, that had a first lien on it already at a bank? Yes. And is that bank a part of the fiscal agent of the United States? Yes. Is then, everyone dealing in banking under the Uniform Commercial Code using scrip that is privately made? Yes. Can the owner of that scrip call in a portion of it to offset the debt owed it by the United States? Yes. Is the IRS the collecting agency for the federal reserve to collect the debt the United States owes to the Federal Reserve? Yes.

Do you think that Congress, the real criminal thieves, will admit this is what is happening? Do you think the IRS is going to admit this, but rather say "there are other statutes" and not admit what they are? Do you think any court will allow such an argument? Will they will pass it off as frivolous? You bet they will. They are all in on the scam and have been since taking real money away from the people. But is silver and gold really money belonging to the people if they themselves have not mined it, assayed it, had it melted down and coined it at a mint for the cost of minting as was previously done? Think about it. What did the Lord Almighty say when Peter showed Him a coin with the picture of Caesar on it? "Render unto Caesar what is Caesars'." People, common man, YOU ARE NOT Caesar and never were. So is the United States coin actually Caesar's (U.S. which is defined as Congress Assembled) coin all over again? Did not Peter have to pay a tribute for using Caesars coin? I'll let you decide if a private Federal Reserve scrip is their paper or your paper. When you exchange your labor for private paper, then as Ernie Ford sang, "You owe your soul to the company store." Especially when you claim to be a United States citizen.

Well you can take it or leave it, the choice is yours. I'm just suggesting this is another hidden fact Government thieves don't want you to know. This is just the tip of the iceberg. What is the common denominator in all tax scams? What does

every one use in daily transactions if not paper scrip and checks that are the trade and business of banking of the fiscal agent of the United States? If the Lord Almighty came down and asked you what he asked of Peter, what would you pull out of your pocket and show him? Here is part of the Reg.1.864-4 and remember what UNITED STATES they are talking about, therefore, you are non resident in the United States, therefore alien to the jurisdiction EXCEPT you are still liable, read the following:

(5) *Special rules relating to banking, financing, or similar business activity—*
 (I) *Definition of banking, financing, or similar business.* A nonresident alien individual or a foreign corporation shall be considered for purposes of this section and paragraph (b)(2) of § 1.864-5 to be engaged in the active conduct of a banking, financing, or similar business in the United States if at some time during the taxable year the taxpayer is engaged in business in the United States and the activities of such business consist of any one or more of the following activities carried on, in whole or in part, in the United States in transactions with **persons situated within or without** the United States: *(a) Receiving deposits of funds from the public, (b) Making personal, mortgage, industrial, or other loans to the public, (c) Purchasing, selling, discounting, or negotiating for the public on a regular basis, notes, drafts, checks, bills of exchange, acceptances, or other evidences of indebtedness, (d) Issuing letters of credit to the public and negotiating drafts drawn thereunder, (e) Providing trust services for the public, or (f) Financing foreign exchange transactions for the public stocks or securities with active conduct of a banking, financing, or similar business.* Notwithstanding the rules in subpara-graphs (2) and (3) of this paragraph with respect to the **asset-use test** and the business-activities test, any dividends or interest from stocks or securities, or any gain or loss from the sale or exchange of stocks or securities which are capital assets, which is from sources within the United States and derived by a nonresident alien individual or a foreign corporation in the active conduct during the taxable year of a banking, financing, or similar business in the United States shall be **treated as effectively connected** for such year with the **conduct of that business** only if the stocks or securities giving rise to such income, gain, or loss are attributable to the U.S. office through which such business is carried on and— *(a) Were acquired— (1) As a result of, or in the course of making loans to the public, (2) In the course of distributing such stocks or securities to the public, or (3) For the purpose of being used to satisfy the reserve requirements, or other requirements similar to reserve requirements, established by a duly constituted banking authority in the United States, or ---*
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Now to prove that the same apply to US citizens read this small part from 1-861

(2) The term “resident of the United States”, as used in this paragraph, includes (I) an individual who at the time of payment of the interest is a

resident of the United States, (ii) a domestic corporation, (iii) a domestic partnership which at any time during its tax-able year is engaged in **trade or business in the United States**, or (iv) a foreign corporation or a foreign partnership, which at any time during its taxable year is engaged in **trade or business** in the United States.*** corporation on— (a) Deposits with persons, **including citizens of the United States** or alien individuals and foreign or domestic partnerships or corporations, carrying **on the banking business** in the United States, (b) Deposits or withdrawable accounts with savings institutions chartered and supervised as savings and loan or similar associations under Federal or State law, or (c) Amounts held by an insurance company under an agreement to pay interest thereon,

Have a good day
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