

STATEMENT SUBMITTED TO SENATE FINANCE COMMITTEE

"Taxpayer Beware: Schemes, Scams and Fraud."

April 5, 2001

Submitted by

**Robert L. Schulz
Chairman**

We The People Foundation For Constitutional Education, Inc.

Government officials have refused to respond to our repeated requests to discuss allegations and answer questions raised by tax researchers who assert that:

- 1) There is no law or regulation that requires most citizens to file a tax return, pay income tax, or have money withheld from their pay;
- 2) The 16th Amendment (the "income tax" amendment) was illegally and fraudulently ratified in 1913.

We The People Foundation has previously published, in the USA TODAY and the Washington Times, the story of how it has invited officials from the White House, the IRS and both chambers of Congress to send experts to conferences and symposiums held in Washington at the National Press Club and Crystal City Hilton to discuss and explain the evidence and findings by numerous tax researchers and show where they are in error.

The Senate is now convening its Finance Committee and has invited Commissioner Rossotti to a hearing about tax schemes, scams and fraud. We believe they have invited the right man for this subject, if only they ask him the right questions, since tax researchers allege the IRS has been conducting fraudulent operations and perpetrating an enormous hoax.

We are concerned the hearings may turn into an attempt to label and portray the tax researchers and employers as people who are running scams, cons, and deceptions, when, on the contrary, the evidence is convincing that the shoe is on the other foot, and it's the IRS that is operating a monumental scam, disobeying the laws, and extorting money from people who do not owe it. Recent reports of the Commissioner's conflict of interest in personally profiting greatly from his position, his quid quo pro actions, and the pattern of abusing IRS audits for

purposes of reprisals only add to questions about the integrity of the IRS, and lend even more credence to allegations of fraudulent operations.

We suggest the Committee should hear from some of the individuals whose writings and actions have prompted this rather sudden hearing. A few of them have been pictured in our full-page messages published in the USA Today and in the Washington Times, including tax researchers, former IRS agents, and employers who have stopped withholding.

We again respectfully request the Senate to please identify its most knowledgeable people and have them meet with the tax researchers in a public forum to discuss and debate the issues with the researchers, show where they are in error, embarrass them, and put the whole matter to rest. So far, the only response has been steel-fisted threats of stronger enforcement of laws that apparently do not exist.

EXPLANATIONS NEEDED:

We suggest the senators ask the Commissioner to explain how it is that:

- Commissioner Rossotti, despite having made major changes in IRS organizational structure and lines of responsibility, has failed to publish reorganization plans and lines of delegated authority, in utter disregard of the Federal Register Act, not to mention the public.
- IRS personnel throughout the agency routinely suppress evidence and refuse to comply with Treasury Department regulations that compel production of documents, records, and identity of witnesses, thereby covering up exculpatory evidence and denying due process and informational rights of the people.
- IRS personnel throughout the agency consistently fail and refuse to establish the nature of actions against people (including identification of taxing and liability statutes and regulations), provide lawful evidence of liability, and disclose existence of competent first-hand witnesses.
- IRS managers and personnel in the office of the Treasury Inspector General for Tax Administration (TIGTA) do not discipline or prosecute IRS personnel who fail or refuse to comply with mandates or prohibitions of the Internal Revenue Code, Treasury regulations, and agency policy. Complaints to TIGTA go into an administrative black hole and the complaining party does not hear anything about them again, showing complicity by TIGTA in the misconduct complained about.

- The consistent pattern of behavior evidences a systemic conspiracy to deprive the American people of substantive rights and to otherwise ignore mandates and prohibitions, in defiance of the 1998 IRS Restructuring and Reform Act. Evidence shows that the noncompliance is choreographed at the highest levels of the agency. The complaints noted above warrant investigation by legislative and administrative oversight committees, boards, and officers.

The American people are perfectly entitled to pursue and exercise their First Amendment rights to redress of grievances in all possible forums. The senators should question the Commissioner how it is that:

- The IRS is not an agency of the U.S. government, according to court papers filed by the U.S. Attorney (check our web site).
- The IRS gathers and maintains file on federal judges.
- The IRS has undertaken large-scale campaigns to "instruct" federal judges on the need to convict and administer heavy punishments in tax cases involving defendants who question whether the law requires them to file returns and pay income taxes; these behaviors indicate a conspiracy to deny citizens of justice and an independent judiciary.
- The IRS instructs its employees that the 16th Amendment says that everyone must pay income taxes, when the Amendment says no such thing.

The senators should ask the Commissioner to explain the following points; but for some of these points, it is the Congress itself that should also explain how it is that:

- Section 1461 and 7701 of the Code establish that the only person made liable to withhold and pay the income tax is a withholding agent, who is any person required to withhold under IRC 1441-1443, which all pertain to nonresident aliens and foreign entities.
- The index to the Code (U.S. Code Annotated) has only two entries that cross-reference "income tax" and "citizens:" one for citizens departing the country, the other for citizens living abroad. But the index has several PAGES of entries cross-referencing "aliens" and "income tax," including all the familiar terms, such as "deductions," "exemptions," "gross income," and "withholding." Are we to believe this is merely due to careless indexing?
- Form 1040 has never been authorized by OMB to be used under section 1 of the IRC. The only form ever approved under section 1 is Form 2555, titled "Foreign Earned Income."

- Researchers have pointed out that a statement of citizenship, in duplicate, from a worker has always served to relieve an employer of duty to withhold income taxes from the worker's pay, under IRC 1.1441-5 and Publication #515 (wording recently altered in 2001 - why?).
- Researchers point to the Internal Revenue Manual's instructions that the Criminal Investigation Division is under the direction of the international branch of the IRS and is only authorized to enforce criminal statutes applicable to taxes for U.S. citizens residing in foreign countries and nonresident aliens required to file federal income tax.
- Researchers have noted that IRS revenue officers are authorized by law to conduct only civil enforcement under subtitle E (alcohol, tobacco, and firearms), not under subtitle A (income taxes). Among assertions by former IRS agents is that virtually everything a revenue officer does is outside the law.
- IRC 6020(b), invoked by the IRS when it assesses income tax on individuals who have not filed a 1040, does not authorize them to assess income tax on individuals. Delegation Orders from the Commissioner to IRS employees authorizing them to execute returns for persons required to file, but who didn't, do not include Forms 1040 or 2555 on the list of authorized returns.
- Regulations implementing the statutes governing tax liens and levies are under the jurisdiction of the Bureau of Alcohol, Tobacco, and Firearms, not the IRS.
- Social Security officials have confirmed that there is no law that requires a citizen to get a social security number, for an employer to get an employer identification number, or for either of them to participate in social security and pay employment taxes under subtitle C, unless they want to participate in the social security program. No law requires an employer to insist on getting a W-4 from a worker, nor for a worker to fill it out. Without a social security number, a worker can have no taxable income, according to the Social Security Administration. On 2/20/01, in an EEOC case in the Norfolk area, a worker prevailed in a Title VII Civil Rights action after being fired for not providing a social security number, when the employer only needed to notify the IRS that one had been requested. (See "SSA letters" and "EEOC letter" at our website.)
- IRC 3402 imposes withholding only upon "wages" as defined exclusively at IRC 3401(a); and IRC 3401(a)(8)(A) reveals that remuneration paid to U.S. citizens living and working in the U.S. is excepted from the definition of "wages" that are subject to withholding under IRC 3402. The only way it can be "wages" is under IRC 911, i.e., remuneration in U.S. possessions.

- Senator Inouye, in a letter responding to an inquiry by a constituent who was a tax consultant, stated, "Based on research performed by the Congressional Research Service, there is no provision that specifically and unequivocally requires an individual to pay income taxes." (See "Inouye letter" at our website.)

The above examples are evidence tax researchers assert as proof the income tax is not, and never was, meant by law to apply to the income of most U.S. citizens who live and earn their money in the 50 states. It's inconceivable that the above evidence just happened by chance. The burden is on the IRS to explain, but they remain silent, except for more frequent announcements threatening crackdowns.

There should also be explanations given as to how it is that:

- An attorney for Sen. Orrin Hatch in 1985 offered a fortune to Bill Benson not to publish his research on the illegal and fraudulent ratification of the 16th Amendment and to turn over all of his 17,000 certified, notarized documents proving it.
- The highest federal courts cannot decide whether the income tax is a direct tax or an excise. The Supreme Court reversed itself years ago, and the circuit appeals courts are about evenly, but strongly, divided, as are the state supreme courts. The courts can't even agree about what statute makes one liable. If our highest judges can't figure out questions as basic as what kind of tax it is, how can they rule on finer points such as crucial arguments about "gross income?"
- According to former New York Federal Reserve Bank chairman Beardsley Ruml and the Grace Commission, the income tax is not needed to run the government, since it is financed by a central bank monetary system that is not convertible into gold or any commodity. The government funds operations by borrowing money into existence. The income tax is used as a vehicle for redistribution of wealth and to control the inflation inherent in the central bank monetary system.
- Why have such deliberate attempts been made to disguise the truth of the law by means described under "Historical Comparisons," below.

PERSPECTIVE ON THE 861 POSITION

The "861 argument" deals with "gross income" from which "taxable income" is derived. One can start with CFR 1.1-1, which tells us that " Section 1 of the Code imposes an income tax on the income of every individual who is a citizen or resident of the United States." That sounds all encompassing, but two sentences

later it says, "The tax imposed is upon taxable income" (i.e., gross income minus deductions). So "income" is qualified to mean "taxable income," which, in turn, depends on what "gross income" is. Incidentally, if one goes to Section 1 of the Code, it says, "There is hereby imposed on the taxable income of..." and it proceeds to identify married individuals, surviving spouses, heads of households, unmarried individuals, estates and trusts. It says "taxable" income right there at the beginning. (Note that there's no information about who is actually liable for payment of the tax, e.g., the payer or the payee.)

The next step is to look at the definition of "gross income," found in IRC 61 or Section 1.61 of the Code of Federal Regulations ("CFR"). CFR 1.61-1(a) defines gross income as "all income from whatever source derived, unless excluded by law." IRC 61 defines gross income as "all income from whatever source derived, including (but not limited to) the following items: (1) Compensation for services, including fees, commissions, fringe benefits, and similar items; (2) Gross income derived from business; (3) Gains derived from dealings in property; (4) Interest; (5) Rents; (6) Royalties; (7) Dividends; (8) Alimony...(15) Income from an interest in an estate or trust.

Tax researchers assert that "items" of income in IRC 61 are not the same as "sources" of income. CFR 1.861-1 says: "Section 861 et seq. and the regulations thereunder, determine the sources of income for purposes of the income tax." The specific sources are listed in CFR 1.861-8(f)(1). They are: (1) overall limitation to foreign tax credit; (2) international and foreign sales corporations; (3) nonresident alien individuals and foreign corporations engaged in trade or business within the U.S.; (4) foreign base company income; and (5) a list of fifteen other operative sections - all foreign. This leads to the conclusion that the term "gross income" does not apply to the income of most citizens but to the incomes of nonresident aliens and U.S. citizens earning money abroad, a conclusion no longer very surprising after considering all the other evidence presented above.

It is this "foreign/international" interpretation of the law regarding gross income (IRC 61 and IRC 861) that makes it consistent with the numerous sections of laws and regulations and other documents discussed above. Otherwise, the part of the law that deals with gross income would be in conflict with all those other parts. At this point then, it should be incumbent on the IRS to prove that this interpretation is incorrect, since it is THEIR interpretation of gross income that is inconsistent with those other parts of the internal revenue law and regulations.

Researchers were aware of the inconsistency for many years and realized that something had to be wrong. The development of computer technology and online access to the Code and regulations allows the use of search engines, and Internet communications enables researchers to exchange information with one another more easily than ever before, no matter where they are located in the country. Tax research "science," as other sciences, deals with, and tries to bring

order to, a vast body of chaos that is loathe to give up its secrets. In some respects, it might even be said to rival sciences that try to solve the mysteries of heart disease or cancer. And the "disease" metaphor is perhaps not inappropriate in discussing the income tax system and IRS operations.

If the "items" of gross income in CFR 1.61 are not the same as "sources," and the "sources" are found in CFR 1.861-8(f)(1), it means that the sources of gross income have been separated from the definition of gross income in CFR 1.61 by several thousand pages. That is hard to believe, if one assumes that the officials and lawyers who wrote the regulations wanted them to be understandable and accurately interpreted. However, one does not have to browse through the Code or regulations for very long to realize there is probably no document in the world that is written and organized in such a convoluted, labyrinthine manner, as if the intent were to exhaust anyone trying to decipher it. Indeed, tax professionals, legislators, and even the IRS Commissioner have said they can't understand it. Carving order from chaos is what tax researchers have been doing with income and employment tax parts of the Code and regulations.

HISTORICAL COMPARISONS: EVIDENCE OF INTENT TO DECEIVE AND DEFRAUD

The Code and regulations undergo revision from time to time in order to incorporate additions to the law and corresponding regulations that implement the law. Even though the application of the laws may not change, the revision may entail rearrangements of sections and changes in words or phrases. Researchers have examined some of the ways this process has affected the Tax Code and regulations over time by looking at earlier versions. Their findings are revealing and very disturbing, especially with regard to gross income, but also regarding changes in other sections of the income tax laws and regulations that will be discussed below. Here are a few examples.

Hiding the Constitutional Limitations.

The 1939 version of the regulations used the term "net income" for what in recent years is called "taxable income." Section 29.21-1 defined "net income" as follows: "Meaning of net income. The tax imposed by chapter 1 is upon income. Neither income exempted by statute or fundamental law...enter into the computation of net income as defined by section 21." The term "fundamental law" refers to the Constitution, as numerous court rulings have shown. Therefore, some income was exempt from income tax by statute (i.e., a law passed by Congress) and some was exempted by the Constitution (passed by the people). This admits that some income not exempted by statute is nonetheless exempted from federal taxation by the Constitution (i.e., Congress does not have the authority to tax it).

In 1939 and 1945, CFR 29.22(a)-1 corresponded to today's CFR 1.61. Its definition of gross income was virtually the same (see 2nd paragraph under

PERSPECTIVE, above); and then referred to Section 22(b). The regulations under CFR 22(b) stated that some income was exempted by statute, and then said, "No other items are exempt from gross income except (1) those items of income which are, under the Constitution, not taxable by the Federal Government..." The regulations also used the term "fundamental law" when referring to the Constitution.

Again, some income was explicitly acknowledged to be constitutionally not taxable. Clearly, this demonstrates that Congress's power to lay and collect taxes does not extend to everything and the lawmakers knew it. There is, however, jurisdiction to regulate commerce with foreign nations, and this is the basis for, and consistent with, the interpretation of the income tax laws and regulations upon which the "861" position is based. It is also consistent with the other provisions of the Code and regulations discussed above under CONTEXT.

In 1954, the Code and regulations underwent considerable rearrangement, based on a reorganization plan of 1950, although the law and its application were not substantially changed. Several aspects of this rearrangement helped disguise and conceal what had previously been easy to see in earlier versions. With regard to the references to constitutional restrictions on taxing power, the 1954 regulations deleted any phrases referring to income that is, under the Constitution or fundamental law, not taxable by the government. Readers are left with the impression that the phrase "unless exempted by law" is synonymous with "unless exempted by statute," since that is a common meaning. Again, there were no changes to the law or the Constitution that would necessitate deleting the reference to the Constitution; it was done for no other credible reason than to obscure the Constitutionally-limited application of the income tax, but without making the regulation technically incorrect - only deceiving and misleading. The regulations, at CFR 1.861-8(b)(1), STILL say that the "items" of gross income that make up "classes of gross income" may include income that is EXCLUDED for federal income tax purposes, and then lists what is "not exempt," and it is all international and foreign commerce (CFR 1.861-8T(d)(2)(iii)).

Disguising the Taxing of Nontaxpayers.

The 1939 Code said "gross income includes income, gains, and profits derived from salaries, wages, and compensation for services..." According to many researchers, what was taxable were gains and profits DERIVED from salaries and wages (i.e., what the employer derived, not what the worker made). Salaries or wages are one of the costs of operating a business. Income is the profit or gain derived from capital, labor, or both. The words "salaries" and "wages" were deleted from the definition of gross income after World War II. Why?

In any case, virtually all researchers agree that most citizens do not have gross income within the meaning of IRC 61, so what they are paid is not gross income, and, therefore, is not taxable income. Researchers have noted that a W-2

statement does not say the wages it reports are gross income. It's merely a statement of how much the worker has been paid. They note that it is workers themselves who turn their wages into gross income when they "voluntarily" sign their 1040s under penalty of perjury, which they are coerced into doing in order to get some small portion of it back as a refund. The IRS is perfectly happy to accept such a sworn statement from workers, since they can say it absolves them of blame, and they will mail out 1040s to them again next year.

The minutes of Senate subcommittee hearings on taxation held during 1942, which have since been declassified, reveal very clearly and explicitly that the subcommittee, in consultation with tax experts from the Brookings Institution [sic], desired to devise a tax that would "mop up" consumer money from the rapidly-expanding war workforce, withholding it from citizens before they even received it, explicitly and especially targeting nontaxpayer citizens, in order to get the maximum amount of money "up-front." (The main goal was to prevent inflation from so much consumer money for so few consumer goods, since production was aimed at non-consumer war materiel. The war itself was financed, not by income tax, but by money from the Fed, a highly inflationary mechanism of creating money out of thin air and pouring it into the economy.) To read some pages of the subcommittee minutes, see "Subcommittee minutes" at our web site.

Concealing History by Removing Footnote References.

The Code contains many footnotes and references to allow readers to search back and trace the origins and evolution of laws and regulations, since this often clarifies intent. IRC 61(a) on gross income used to have a footnote informing readers that it came from Section 22(a) of the 1939 Code and that the law hadn't been changed. The footnote said, "Source: Sec. 22(a), 1939 Code, substantially unchanged." That footnote was in the 1954 version at least up to the 1982 edition, but then it vanished, making it difficult for tax professionals to understand how the wording has been deceptively altered, leading to misapplication of the law. Constitutional limitations discussed above were thus hidden.

Deletion of the footnote has also made it much more difficult to notice and understand the close connection between IRC 61 and IRC 861 (or CFR 1.61 and CFR 1.861), especially as CFR 1.861 is now thousands of pages distant from CFR 1.61, and in the earlier versions, the section was not numbered 861, but 119. In pre-1954 versions, the "gross income" regulations under Section 22(a) mentioned the taxable sources as income of nonresident aliens and foreign corporations doing business in the U.S. and its possessions and profits of citizens, residents, and domestic corporations derived from foreign commerce. The same sources were described in the regulations under IRC 119 "Income from sources within the United States."

The 1921 version was even more clear (and the law hasn't materially changed since then). It said explicitly "that in the case of a nonresident alien individual or of a citizen entitled to the benefits of section 262, the following items of gross income shall be treated as income from sources within the United States." (IRC 262 applied if at least 80% of a citizen's gross income was from a U.S. possession.)

In 1954, while the law still hadn't materially changed, the regulations were changed so that the "foreign" sources were omitted from the "gross income" description in CFR 1.61(a), but remained in the regulations as CFR 1.861 (renumbered from the regulations previously under IRC 119). Wording was put in those regulations stating that they "determine the sources of income for purposes of the income tax," and they stated that it was the foreign sources noted above that were the sources. These sources today are the ones listed in 26 CFR 1.861-8(f)(1) and are listed above in the third paragraph under PERSPECTIVE.

More Deception.

Further evidence of intent to deceive can be seen in the regulation before and after 1954. Before 1954, the subsection dealing with deductions contained explicit wording that deductions were to be applied to the income of nonresident aliens and foreign corporations doing business within the U.S. After 1954, that entire phrase was omitted, making it appear that the application was to the income of citizens. Yet the law did not change. The very next paragraph provided an example. Before 1954, the example was: "A nonresident alien individual engaged in trade or business within the United States..." After 1954, it said: "A taxpayer engaged in trade or business..." The change remains technically correct, since the tax applies to nonresident aliens, but the text now gives the impression it means citizens. Incidentally, we should note that "taxpayer" is a legal term, defined in the Code, that means someone required by law to file and pay an internal revenue tax. Someone who pays property or sales taxes is a taxpayer, not a taxpayer.

Masterpiece of Obfuscation.

Another change regarding CFR 1.861 that can only be seen as an intent to deceive occurred in 1978. CFR 1.861-8, which contains the key list of sources, went from less than one page before 1978 to more than forty pages. There was no underlying change in the law or even in the substance of the regulation, but the regulation became a maze of new phrases, such as "statutory groupings," or "operative sections," or "specific sources" that require much more effort to sort out, but lead to the same conclusion as before. There can no other explanation for such a masterpiece of regulatory obfuscation but the intent to confuse, obscure, deceive and defraud. Those who claim that IRC 861 is not relevant to citizens should explain why officials would go to such great lengths to obfuscate what would otherwise be a relatively little used part of the Code. If it didn't apply

to most citizens, such a masterful job of creating confusion would be a waste of lawyerly talent.

It's well worth the government's while to have the cleverest lawyers and officials try to keep playing with the wording of the income tax Code and regulations to further disguise the true meaning of the law without actually changing it, in order to make it appear that most citizens are required to file and pay even if they aren't. The payoff to the government is enormous - several hundred billion dollars a year.

THE DUCK TEST AND CONCLUSION

What can one make of this pattern of alterations that disguise the true law? Is the income tax operating as a hoax? Let's apply the duck test: if it looks like a duck, waddles like a duck, and quacks like a duck, it must BE a duck.

Thomas Jefferson said it better: "Single acts of tyranny may be ascribed to the accidental opinion of a day; but a series of oppressions, begun at a distinguished period, and pursued unalterably through every change in ministers [administrations], too plainly proves a deliberate systematic plan of reducing us to slavery."

Tax researchers assert that the evidence presented in this message is proof that the income tax does not apply to most U.S. citizens. Has it raised doubt in your mind? Here is what the Supreme Court has said about doubt. "In the interpretation of statutes levying taxes it is the established rule not to...enlarge their operations so as to embrace matters not specifically pointed out. In case of doubt they are construed most strongly against the government, and in favor of the citizen." (Gould v. Gould, 245 U.S. 151 (1917)). "[S]ettled rules of statutory construction...teach...that if doubt exists as to the construction of a taxing statute, the doubt shall be resolved in favor of the taxpayer" (Hassett v. Welch, 303, U.S. (1938)). Shouldn't these court rulings be applied to the income tax?

LARKEN ROSE'S LETTER TO THE ATTORNEY GENERAL *

March 6, 2001

John Ashcroft, Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue
Washington, D.C. 20530-0001

Dear Mr. Ashcroft,

Though my wife and I run a small business, and receive income from that business, 1996 was the last year for which we filed a federal income tax return or made any federal income tax payments.

While in the past I had always believed the federal income tax to be immoral and unconstitutional, we did not stop paying in "protest" of any law. On the contrary, we stopped filing and paying because we took the time to examine the law itself, to determine what it required of us. After extensive personal research, I came to a rather disturbing conclusion:

While the federal income tax is entirely valid and constitutional, it does not apply to the income of most Americans. I do not just mean it cannot apply to such income; I mean the law itself shows that it does not apply to such income. During my research into the law, not only did I find abundant evidence proving my conclusions, from the actual federal income tax statutes and regulations (past and present), but I also believe I have substantial documentation proving an ongoing and deliberate attempt by some in the federal government to conceal the truth, and to intentionally deceive and defraud the American public.

The organization over which you now preside has participated (whether knowingly or not) in the biggest extortion racket in the history of mankind.

The enforcers of the law, both at the IRS and the DOJ, have been enforcing a non-existent law when they demand income tax returns and payments from United States citizens who live and work exclusively within the 50 states...

I am enclosing a brief summary of the legal basis for my decision not to file or pay, as well as a more in-depth explanation of the results of my research -- a report entitled "Taxable Income" (10/23/00 revision) -- which documents the strictly limited application of the federal income tax. ** I am well aware of the many unfounded "tax protestor" theories which are based upon "creative interpretations" or twisted logic, and I agree that many such arguments are "frivolous" and without merit. My findings, in contrast, are based entirely on what the federal income tax statutes and regulations themselves say (and have said since long before I was born).

...I have repeatedly attempted to get government officials, including IRS officials, to refute what I have found, to show me where I have made a mistake.

While many have asserted that my conclusions are incorrect, they produce no evidence to support that assertion. In fact, the so-called "experts" have routinely contradicted each other when trying to explain away the many citations I am relying on, and have consistently contradicted what the Treasury regulations say in plain English. (I would be happy if someone in the Department of Justice wants to try to show me where I may be in error.)

...This fraud must end, and your attention to it is paramount.

By signing below, I hereby declare (under penalty of perjury) that I have not filed any federal income tax return for the 1997 year or any subsequent year, nor have I paid any federal income taxes for those years. During those years, I received sufficient income that, if my income had been subject to the federal income tax, both payments and returns would have been required by law. If you believe my conclusions of law are in error, and my actions illegal, I hereby publicly and openly invite the Department of Justice to prosecute me.

I believe you have a moral and legal obligation, not only to immediately cease the baseless tax-related prosecutions of those U.S. citizens who are not actually subject to the federal income tax (i.e., most Americans), but also to initiate an investigation into the Department of the Treasury, and possibly some members of Congress, for ongoing attempts to intentionally deceive and defraud the people of the United States....

Sincerely,

Larken Rose

cc: Charles O. Rossotti, Commissioner
Internal Revenue Service

- * This letter has been edited. The full-length letter can be found on Mr. Rose's web site: www.taxableincome.net.
- ** The brief summary is titled "Legal Basis for Not Filing / Not Paying," and can also be found on Mr. Rose's web site along with the full-length version. Both versions are a free download.