

PRESIDENT'S ADVISORY
BOARD
ON FEDERAL TAX REFORM

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1 March 2005

To:

The President's Advisory Panel on Federal Tax Reform

1440 New York Avenue NW

Suite 2100

Washington, DC 20220

From:

William Fry

PO Box 50520

Parks, Arizona state uSA

1 March 2005

William Fry
PO Box 50520
Parks, Arizona state uSA

The President's Advisory Panel on Federal Tax Reform
1440 New York Avenue NW
Suite 2100
Washington, DC 20220

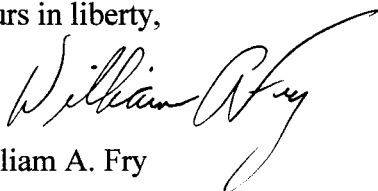
Honorable People:

Thank you for this Historic opportunity to voice my grievances about the current tax system and the illegal and immoral enforcement methods of the IRS.

Since 1996 I have written more than thirty-five (35) letters to the IRS. None of these letters have received a response.

Rather than waste the panel's time with more of the same questions that I have posed to the IRS, I have attached a few of these letters that have been written over the past nine years. I have double spaced these letter as requested. Other than that the content of the letters remains the same. I believe that these letters document the problems and abuses perpetrated by the IRS against myself and citizens of the united States.

Yours in liberty,



William A. Fry

19 February 2001

William Fry
P.O. Box 50520
Parks, Az. 86018

Honorable Bob Stump
U.S. House of Representatives
Washington, D.C. 20515

Honorable Bob Stump:

I have recently reviewed information which suggests that the income of U.S. citizens who live and work exclusively within the United States is not subject to the federal "income tax" imposed by 26 USC § 1. This, of course, goes completely against the "conventional wisdom" about the income tax. However, the claim is backed by extensive citations from the actual federal statutes and regulations.

If the claim is correct, the ramifications are enormous, and you have a duty to correct a serious injustice. If the claim is not correct, then I believe you should set the record straight by giving specific answers to the attached questions, so that I (and others) can be certain of what the law requires.

I am not "protesting" any law. I am not interested in any response which does not specifically address the questions below. I am, as your constituent, formally requesting that you, as my "representative," assist in helping me to understand and comply with the laws passed by Congress. (Please do not refer my inquiry to the IRS, unless you are willing to take personal responsibility for their response.) And if my conclusions are

correct, I demand that you immediately let your constituents know, before this fraud is allowed to continue one more day.

Thank you for your attention to this serious matter.

Sincerely,

William Fry

(All emphasis in citations below has been added.)

1) As you probably know, 26 USC § 1 imposes a tax on "taxable income." "Taxable income" is generally defined in 26 USC § 63 as "gross income" minus deductions, and "gross income" is in turn generally defined in 26 USC § 61 as "*all income from whatever source derived.*" However, the Treasury regulations state the following:

"Section 861 and following... and the regulations thereunder, determine the sources of income for purposes of the income tax." (26 CFR § 1.861-1)

(The regulations have made such a statement since 1954.) Do Section 861 and following, and the related regulations, define what constitutes a "source" of income subject to the income tax? Is the legal meaning of "*all income from whatever source derived*" (in 26 USC § 61) dependent upon Section 861 and following (and related regulations)? If not, please explain the meaning of the above citation.

2) Both 26 USC § 1 and the related regulations plainly state that the tax is upon "taxable income." Regarding income from within the United States, it would seem that "taxable income" is to be determined using 26 USC § 861(b), and the corresponding regulations found in 26 CFR § 1.861-8.

"Sections 861(b) and 863(a) state in general terms how to determine taxable income of a taxpayer from sources within the United States after gross income from sources within the United States has been determined."
[26 CFR § 1.861-8]

4 February 2001

William Fry
P.O. Box 50520
Parks, AZ 86018

President George Bush
The White House
1600 Pennsylvania Ave., NW
Washington, DC 20500

Mr. President:

I wish to bring to your attention that the United States of America is on the verge of dying. The source of our illness is the Internal Revenue Service. You may not see this danger from where you live but from the diminishing middle class perspective we are dying. I know your looking at a tax cut, but I will tell you that this is just a Bandaid for what is equivalent to a sucking chest wound. The end results is the patient is going to die, because the Bandaid is not sufficient treatment for the wound. The only corrective action available to us at this time is HR-2525 (The Fair Tax). This bill may not be the total answer for dying America, but it certainly would be a Lifesaver at this point of treatment.

In July 1998 Congress heard testimony to the fact of how abusive, corrupt, and out of control the IRS has become. (I myself can attest to all the above) The end results, is the problem was not solved. However, on 13 April 2000 the House of Representatives passed HR-4199, to replace the Tax Code by July 2004.

As hearing on Capitol Hill showed, the Internal Revenue Service suffers from Major Administrative problems and, worse, does not adequately respect taxpayer rights. Some IRS employees are willing to do almost anything to improve their collection statistics.

Proof of this :

1. Agents refuse to give their full name as a means to cloak their identity.
2. On 26 December 2000 Michael McDermott of Boston, Mass. Shot and killed seven in human services at Edgewater Technology, because of IRS abuse. New York Psychiatrist Dr. Anthony Pietropinto states "this madman may be just the tip of the Iceberg." Psychologist Dr. Robert Butterworth states, "...problems with the IRS could trigger an act of blatant violence among some folks who are already disoriented and well armed."
3. An Amish farmer, Valentine Byler, refused to pay IRS so they took him to court. The U.S. District Judge dismissed the case so the IRS raided Byler's farm and seized three of his horses, in retaliation.
4. IRS and the Mafia are the same in that they use force to extract revenue from society.
5. The current Federal Income Tax punishes work, saving, and investment. The harder you work, the more you improve your skills through education, the more you save, and the greater the risks you take, the higher your tax rate.

The real danger to America is the continual encroachment by Big Government on the fundamental Freedom to practice our faith, make a living and raise our families in peace.

No laws can create good citizens or a good society. It was always understood by the American founding fathers that the moral law written in the heart and the code of law written by a nation must be in harmony with a higher law. Today, America is being poisoned by lies and bad laws.

Once upon a time, Congress and the White House responded to the Nations's needs by enacting sweeping legislative and regulatory reforms. More often than not, they acted only after events had pushed the country to the edge of crisis- or beyond. Even then, opposition was intense. But at least they responded.

Throughout American History, whenever excesses within the economy resulted in private gain for the few and hardships for the many, Congress and the White House responded. Often reluctantly, but in the end they responded. Today, the two branches of Government are in a legislative gridlock. Even worse, many in Washington insist there are no problems that require comprehensive legislative remedies. They say that a comparatively minor recession will pass and that all will be well. It is a timeless economic viewpoint. Consider this:

1. The Government Rule Book has become a catalogue of special-interest provisions. This is why America's Middle Class, the backbone of America, finds itself in a downward spiral.
2. The majority of the population may support a particular Legislative change, but their efforts are thwarted by a powerful and influential minority.

3. The Internal Revenue Code is riddled with inequities that result in favored treatment of some individuals at the expense of everyone else.

I believe HR-2525 is a step in the right direction. In the words of General Norman Schwarzkopf, "The truth of the matter is that you always know the right thing to do. The hard part is doing it."

Yours in Liberty,
William Fry

24 January 2001

Att. Ms. Miller

Service Reference No. 2980505958

Ms. (?) Miller:

I've written you people over thirty-five letters over a period of five years. As of this date I have received one reply letter from you people that answered none of my questions. The letter, instead, threaten me with jail if I didn't comply with her wishes. The letter had a stamped signature that was unreadable.

1. The Internal Revenue Code has never been passed as positive law, and the IRS has never administered the so-called code fairly. I have yet to receive the same answer from two or more people, the code is arbitrary and up to interpretation.
2. The IRS does strive to collect money but, you people LACK integrity, efficiency, and fairness. You people do not strive to help taxpayers to resolve problems or you would have answered my thirty-five letters sent to your agency. It is my belief that you people are operating outside the Constitution and the color of the law and this is why you do not respond to my legitimate questions. Also, for your information the government is fully funded by import, export, and excise taxes, as per the constitution.

3. For your information I'm not a tax protester, I pay all legitimate taxes owed. I do not deliberately violate any laws, but as of this date you people can not produce any such tax law's. The truth is you people use FRAUD and INTIMIDATION to achieve your goals.

4. I'll take my chances on being judged by twelve of my peers. I have sufficient evidence to convince them that I have made every effort to get legitimate answers, including your curt letter, with a stamp for a signature. (letter attached)

William A. Fry

22 December 1999

Eleonore M. Kelly
P.O. Box 50520
Parks, AZ 86018

Scott Kilpatrick, Chief
Internal Revenue Service
Automated Collection System
P.O. Box 9949
Ogden, UT 84201

Certified Mail No. _____

Dear Scott Kilpatrick:

We need some help, and we need it fast. We called your 1-800 number to find out what law makes us liable to file an individual income tax return, and all we got was the run-around. In times past we would have backed off and just let it go, but not this time. This time we are going to write and call everyone we can think of until someone gives us a straight answer.

We hope that someone might be you. Because you are a Regional Director we are assuming that you know the law. But please don't quote us the IRS Code because our research has proven to us that your code is merely Prima Facie law because it was never enacted into law. We also know that the 16th Amendment only gives Congress the authority to tax income and that what we earn for our labor is not income.

We know that this is not the first such letter you have received. But if the information we have collected is true, it seems to us that this country is in for a big awakening.

Therefore, if you do not furnish us with the law which we are requesting within 30 days of receiving this letter, we will assume that there is no such law and use the return receipt to create a record of our inquiry in the event that we are ever forced to defend ourselves.

We look forward to your response.

Sincerely,

Eleonore M. Kelly

21 August 1998

William Fry
526-64-3211
P.O. Box 50520
Parks, AZ 86018

Senator John McCain
450 West Paseo Redondo
Suite 200
Tucson, AZ 85701

Honorable John McCain:

Thank you for your time and attention in addressing the problems with the IRS. The following items I would like addressed and resolved:

1. On 15 August 1998 IRS will have taken money from my wages that will more than satisfy the IRS claim for levy proceeds 12-31-87, 12-31-88, 12-31-90 & 12-31-91. I've enclosed a copy of the notice of levy, last leave and earnings statement, letters of proof from Public Safety Personnel Retirement System, and a notice of overpaid taxes from IRS (9 years later).
2. I'm asking your assistance in obtaining form 668D, a release of levy on my wages, and a release of lien on my property.
3. I've asked IRS for a complete accounting of the amount of money taken from me, along with a list of all sources. To-date I've received no such information.

4. I've written letter after letter to these people with no response or a very curt response and inaccurate or misleading information.

Respectfully,

William A. Fry

9 August 1998

William Fry
526-64-3211
P.O. Box 50520
Parks, AZ 86018

Jon Kyl
702 Hart Senate Office Building
Washington, D.C. 20510-0304

Honorable Jon Kyl:

Thank you for your time and attention in addressing the problems with the IRS. The following items I would like addressed and resolved:

1. On 15 August 1998 IRS will have taken money from my wages that will more than satisfy the IRS claim for levy proceeds 12-31-87, 12-31-88, 12-31-90 & 12-31-91. I want a release of levy, form 668D, and a release of lien on my property and wages.
2. I want a legal explanation of Ellen Wright's use of harassment and abuse of power to audit me three years in a row. (1985, 1987 & 1988)
3. I want a legal explanation of the THREAT made good by Cheryl Dowell of another audit if I dared to submit an offer in compromise. (1990 & 1991)
4. I want a legal explanation of how IRS is above the law and the Constitution to seize property without due process, while the law and congress turn their heads and look the other way.

5. I want an explanation on what authority and what law allows IRS to assess penalty and interest.

6. I want an explanation of how it's possible to have overpaid my 1988 taxes , end up with a levy, owing penalty and interest, and informed of the overpayment nine years later.

(27 July 1998, copy attached)

William A. Fry

William Fry
P.O. Box 50520
Parks, AZ 86018

20 July 2001

The Honorable Bob Stump
211 CHOB
U.S. House of Representatives
Washington, DC 20515

Honorable Bob Stump:

Sir I'm writing to you about the ABUSIVE IRS. I have written over 35 letters to the Gestapo bastards with no reply to my questions. I did receive one form letter from the IRS, which threatened me with jail if I didn't do as they say. The final straw occurred on 13 July 2001 when they seized \$6,500.00+ from my wife's bank account. The Gestapo IRS Falsified 1040 forms and passed these documents off as official forms signed by my wife and myself. These people have convinced the American people that they are above the law and can seize people's property without due process.

The IRS violates Article 1, Section 9, Clause 3 of the Constitution:

- 1) Bill of Attainder (guilty without a court trial)
- 2) Ex Post Facto (guilty of a crime before act is made illegal)

They violate Amendments:

- 4) Search and Seizure
- 5) Due Process
- 6) Fair and Speedy Trial

- 7) Trial by Jury in Civil Suits
- 9) Powers Reserved to the People
- 13) Outlawed Slavery

The IRS is so out of control that they violate their own Rules (see attached). America and the American Dream are in the Toilet because of the IRS. What is it going to take before Congress does something about IRS abuses? When is Congress going to wake up to the fact that the IRS and the Revenue Code needs to be scraped and a Fair Tax implemented? Is Armed Intervention the only avenue left to restore the Constitution and save America?

I thank you for your strong support of the Constitution in the past and look forward to your reply.

Yours in Liberty,

William Fry