

March 8, 2005

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

PRESIDENT'S ADVISORY  
PANEL  
ON FEDERAL TAX REFORM

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From: Paul Daniels  
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Dear Senator Connie Mack and fellow committee members,

Before Congress can faithfully carry out its Constitutional responsibility regarding taxation, it needs to muster the courage and openly acknowledge to the "American People", the misapplication and misrepresentation of the current tax system. That the Internal Revenue Code (Title 26 USC Subtitle A, Tax on individuals) is a tax on the "*Foreign Earned Income*" of federal employment, business's and corporations entities, as identified by the Code of Federal Regulation §1.1-1 [CFR §602.101], and that "**NO**" "*American Citizen*" living in any of the "*several states*" (working under the control and direction of an employer) has been liable for this tax [48 Am Jur 2d, Sec. 2, pg 80]. Additionally, because confession is said to be good for the soul, Congress might as well reveal that the dreaded "*Internal Revenue Service*" is not an agency of the United States Federal Government [441 US 281 note 23]. but the collection agency for the privately owned (non-government) "*Federal Reserve Bank*" [680 F.2d 1239]; who, is the lien holder for the bankrupted "*United States Corporation*" [HJR.192]. Congress should also divulge its private (non-disclosed) income from "*wholly owned*" United States Corporations [Comprehensive Annual Financial Report].

My personal opinion is, if Congress would stop the "*dog and pony show*" and stay within their Constitutionally mandated responsibilities, we would not find ourselves in most of the political and financial situations we are now facing, nor would we need a new tax system. As it stands now, no amount of taxation could even pay the interest on the (fraudulent) national debt.

My recommendations to Congress are as follows:

1. Take back the monetary and banking system, and stop borrowing "*fiat money*" from the private Federal Reserve Bank (at interest), and start printing your own (without interest).
2. Eliminate inflation and other woes, by returning to Constitutionally mandated (gold and silver) backed currency.
3. Stop the *wasteful, graft, pork barrel* and *giveaway* mentality. Start being honest, trustworthy and responsible (restore the public trust), and there will be enough resources to go around!
4. De-centralize the federal government, by returning Constitutional Sovereignty back to the several states, as intended by the Founding Fathers.
5. Disclose the true voluntary nature of the Social Security System [42 USC §405 (c)(2)(B)(i)(II)], and if the people want to participate, deposit the "*employee contribution*" including employer "*matching funds*" into a real "*trust fund*", not into the governments "*general fund.*"

This country started out as a God fearing and established nation, and it is my sincere belief, those who abuse their sacred trust while in government office, will ultimately be required to make an accounting to the Ultimate Sovereign!

Respectfully

