

PRESIDENT'S ADVISORY  
PANEL  
ON FEDERAL TAX REFORM

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COMMENTS FOR THE PRESIDENT'S ADVISORY  
PANEL

ON

FEDERAL TAX REFORM - **INDIVIDUAL**

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**Tax Reform Panel: RE: INDIVIDUAL**

I don't envy the task you are about to tackle wading through what former, Secretary of the Treasury Paul O'Neil termed, on national television, "a bunch of Gibberish". The original goal of creating the "United States Code" was to condense and identify by subject the many years of Congressional legislation compiled in the "Statutes At Large". The title you are currently assigned to reform "Internal Revenue" has turned into a 9000+ page nightmare.

The text within the title appears to have all-encompassing language to allow Congress to add or delete specified privileged subjects or activities as future Congressional sessions occur. One must recognize that Congress has plenary control over all those specified empowered activities listed in the Constitution thereby their taxing powers must be directed and restricted to those enumerated powers. The question is not, what CAN Congress tax, but what **DID** Congress tax? Conventional Wisdom follows a different logic without foundation.

*"It is elementary law that every statute is to be read in the light of the constitution. However broad and general its language, it cannot be interpreted as extending beyond those matters which it was within the constitutional power of the legislature to reach."*  
[McCullough v. Com. Of Virginia, 172 U.S. 102 (1898)]

*"Since **the right to receive income or earnings is a right belonging to every person, this right cannot be taxed as a privilege**" and "Legislature can name any privilege a taxable privilege and tax it by means other than an income tax, but legislature cannot name something to be taxable privilege unless it is first a privilege." **Jack Cole Co. V. MacFarland, 337 S.W.2d 453,455-6 (Tenn 1960)***

The problem encompassing Title 26 appears to be clarity in text, design and arrangement opposed to the statutory law itself. It is strange to note that the "Individual" liable for the tax in Subtitle A/Individual Income Tax is the withholding agent defined in §7701(16) directing one back to Chapter 3 §1441 to identify those "individual" subjects to whom the Subtitle A tax applies "non resident aliens". The remaining ancillary Sections of Subtitle A are needed to determine the actual "taxable" income of that "individual" subject. There is no reason or purpose other than to deceive the people that clarity cannot be expressed as in Subtitle E taxes. Following the Subtitle E Model the reduction in text and pages of Title 26 would be immense as well as confusion lessened.

Congress has authority over Foreign and Interstate Commerce granted by the Constitution and Foreign Commerce appears to be the engaging activity of Subtitle A/Individual Income Tax. Congress has authority over its "employees" 5 USC, which appear to be the "employees" subject to Subtitle C "employment taxes" the operational statutes are then found in Chapter 24.

For those not engaged in a privileged position nor a taxable activity from the specific source cited, the masses are the subject of consumption taxes paid at the gasoline pump, on utility bills, food or other goods taxed from raw material to the manufacturing plant and finally to store delivery the way our founders intended.

Clarity in text, design, and arrangement is imperative for all those who succumb to the mere hearsay of "conventional wisdom" without statute support. Forms issued by the Federal Government deal with those activities that the

Federal Government is empowered to control by the Constitution and nothing more. This creates a problem; all the government revenue contributions received through “conventional wisdom” most likely will be lessened. However those trained in “conventional wisdom” probably won’t even bother to look at the statutory law itself and continue with what they merely **believe** is the correct application as they do today. There is one big difference, those who do bother to read the statutory law won’t be victimized.

The courts have said, “Not knowing the law is no excuse.” That excerpt does not say, believe “conventional wisdom” whatever way we determine it on any given day, but it says to **KNOW** the written law. Therefore if all Americans are responsible for knowing the written law, clarity in text, design and arrangement is a **must**, without having to confer with an outside aid for interpretation. The law must be easily read and understood by anyone picking up a title if we are all responsible for knowing the Law. It’s an injustice to have people jailed when clarity of the subjects is lacking in a morass of legalese or when those in government cannot respond directly to specific questions asked about the Law because they themselves do not know the answers. This is not law but entrapment thereby confiscating property, life and liberty from the People.

One can only wonder what “Law” the statement is referring, statutory/code law or Fundamental law? Should it be “Fundamental Law” then everyone can understand that Congress has the power,

*“To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Office thereof.” Article I §8 ¶18*

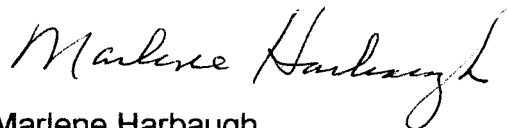
The subjects of the statues found in the United States Code are derived from a list of 18 enumerated powers found in Article 1 §8 of the Constitution. The People are not on that list. Congress does not have authority to meddle in the People's lives this is the essence of Freedom, freedom from Governmental intervention. All parts of the Constitution must harmonize therefore no added Amendments can be contrary to the Constitution.

Lack of clarity, education and understandings of the basics, among government employees have led to disaster for the People. The People have been taken from family and friends and locked in cages for years, these are not criminals but victims of the statutory law when not precisely stated with clarity in text and form. This is an injustice to the People and costing the taxpayers millions perhaps billions each year in court costs, lost employee hours, prison time, prison facilities and attorney fees for both parties.

You are now assigned the task to remedy the morass of legalese and formulate a procedure to give law clarity and understanding for the people.

*"Silence can be equated with fraud where there is a legal or moral duty to speak, or where an inquiry left unanswered would be intentionally misleading. . . We cannot condone this shocking behavior by the IRS. Our revenue system is based on the good faith of the taxpayer and the taxpayers should be able to expect the same from the government in its enforcement and collection activities." U.S. v. Tweel, 550 F.2d 297, 299. See also U.S. v. Prudden, 424 F.2d 1021, 1032; Carmine v. Bowen, 64 A. 932.*

Thank you for your time,



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