

PRESIDENT'S ADVISORY
PANEL
ON FEDERAL TAX REFORM

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The President's Advisory Panel on Federal Tax Reform
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This is submitted by:

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Individual

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I would like to express my appreciation to the members of the President's Tax Panel for the opportunity to convey my beliefs relative to the Internal Revenue Code. I would also like to relate that my years researching the Internal Revenue Code leads me to believe that it is in harmony with the taxing provisions of the Constitution. The obvious problem with Section A--Income Taxes is the way it is written, the numerous implied requirements, cross references, and subsections all designed to confuse an American of average intelligence. There is also concern about the fraudulent way the IRS administrates the program.

While listening to a talk radio program in early 1996 I was amazed to hear the guest speaker advise that there was no section in the Internal Revenue Code that requires an American living and working for wages and or salary in the United States to pay an income tax. This was very difficult for me to accept since I had been paying income taxes for years.

For the taxable year 1998 I filed a 1040 with all the proper personal information and placed a zero in every line that required an entry. I sincerely believed that what I submitted was proper and that I could not be accused of perjury since I did not and do not believe I have taxable income. To the 1040 return for the year 1998, and each subsequent year, I attached two pages of court cases and or other information to justify my actions. U. S. v. Long, 618 F. 2d 74 (9th Cir. 1980), U. S. v. Kimball, 896 F. 2d 1218 (9th Cir. 1990), U. S. v. Moore 627 F. 2d 830 (7th Cir. 1980)

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and Las Vegas bankruptcy court held that "Zeros entered on a Form 1040 constitutes a return," Cross v. U. S. 91-2 USTC pg. 50,318; Banker, L. Rep p. 7404. I followed the same procedures for the tax years, 1999, 2000, 2001 and 2002.

The first computer generated letter I received from the Internal Revenue Service, Department of the Treasury, Western Region, 1160 West 1200 South, Ogden, UT was dated August 25, 2000. This notice, replete with inferences such as "We have decided or claims such as yours have been considered and rejected repeatedly as without merit by the federal courts - including the U. S. Supreme Court" indicated that my return was considered frivolous. No specific court cases were identified.

Therefore, according to section 6702 I would be subject to a \$500.00 penalty unless I filed a correct (?) return. Since I could find no reference a "correct return" in the Internal Revenue Code book, I made an appointment to see an agent at Internal Revenue Offices, 4750 W. Oakey Blvd, Las Vegas, NV. I was greeted by agent L. Talley ID #85-55069. He asked what my problem was and when I explained I did not know why I was threatened with a \$500.00 frivolous penalty. Agent Talley asked if filed a 1040. Yes I filed one complete with zeros. That is your problem and it is covered by section 6702. I explained that court decisions said that a Zero return constitutes a valid return. I then asked Agent Talley if he was familiar and knowledgeable about that section of the Internal Revenue Code. He assured me he was; therefore, I asked if he was also familiar with section 6703 Burden of Proof. He said that was ridiculous and ordered me from the building.

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With that experience fresh in mind, I engaged, at considerable expense, a lawyer knowledgeable in income tax law to respond, within the time frame designated, to every one of the many letters I received from the Internal Revenue Service. Never once did we receive a response other than another computer generated letter. Each letter contained more severe threats if I did not agree with the proposals put forth.

Early 2004 after reading descriptive material relative to the tax trial of Dick Simkanin, owner of Arrow Plastic, Bedford, TX, I came to the conclusion that government officials, including judges can and do ignore the Constitution, deal in untruths and fabricate evidence to justify the end results relative to tax cases. As you are aware, I'm sure, Mr. Simkanin was sentenced to 84 months in prison, approximately double what was indicated by the "point system" criteria utilized in the federal sentencing guidelines, without the prosecutor ever citing the law violated. As such, I engaged an enrolled agent to settle with the Internal Revenue Service.

Official pronouncements I have uncovered relative to the income tax lead me to believe that it is a voluntary system. My understanding is predicated on the following:

- **Voluntary Compliance,**

"Our system of taxation is based upon voluntary compliance and payment, not upon distraint." Supreme Court, *Flora v. United States*, 363, US 145 pg. 176. (my emphasis)

Internal Revenue Booklet (1971). "Each year American taxpayers voluntarily

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return constitutes a valid return. file their tax returns and make a special effort to pay the taxes the say they owe." Johnnie M. Walker. (my emphasis)

"Our tax system is based on individual self assessment and voluntary compliance." Internal Revenue Audit Manual, 1975. (my emphasis).

"The IRS' primary task is to collect taxes under a voluntary compliance system."

Jerome Kurtz, Internal Revenue Annual Report. 1980 (my emphasis). Matter of fact, Mr. Kurtz mentions voluntary six times in the report. And finally to close this subject matter I direct attention to: Internal Revenue Investigation, Hearings before a Subcommittee of the Ways and Means, House of Representatives, Eighty-Third Congress, on Administration of the Internal Revenue Laws, February 3—March 13, 1953. On page 12 of the report, Mr. Dwight E. Avis, then head of the Alcohol and Tobacco Tax Division of the IRS states, "Let me point this out now: Your income tax is 100% voluntary tax and your liquor tax is 100% enforced tax. Now the situation is as different as night and day." (my emphasis) Therefore, an American with average intelligence would conclude that based on the published material and testimony of expert government officials that the income tax is a voluntary program.

• **Designed Confusion**

On page 75 of the Internal Revenue Service Booklet 200411040 a reader's attention is directed to section 6001, 6011 and 6012 (a). Paragraph 3 states: "Our legal right to ask for information is Internal Revenue Code sections 6001, 6011 and 6012 (a) and their regulations. Here is where the fraud and misinformation begins:

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Section 6001. Notice of regulations requiring records, statements, and special returns.

"Every person liable for any tax imposed by this title----shall do various things." No tax is identified nor have I ever been liable for any tax until I indicated such on a signed

1040. Compare the vagueness of section 6001 to that of section 5701 Rate of Tax.

(a) Cigars

On cigars, manufactured and imported into the United States, there shall be imposed the following taxes. Section 5703 Liability for tax and the method of payment.

(a) Liability for tax.

(1) Original liability. The manufacturer or importer of tobacco products and cigarette paper and tubes shall be liable for the tax imposed. (my emphasis). There is no question the law here says what it means and means what it says. And another example: Chapter 35 Taxes on Wagering.

Subchapter A. Tax on Wagers

Sec 4401 Imposition on tax. (a) Wagers. (1) State authorized wagers. There shall be imposed on any wager authorized under the law----.(my emphasis).

Unmistakably clear.

• **Gross Income**

"The general term 'income' is not defined in the Internal Revenue Code." U.S. v. Ballard 535 F. 2d 400, 404 (1976). If Congress or the Supreme Court does not know what "gross income" how am I expected to know?