

PRESIDENT'S ADVISORY
PANEL
ON FEDERAL TAX REFORM

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Cover Sheet

for

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• as

An Individual Submitter

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Background----- Submitter is a 58 year old construction worker who has spent his entire adult life trading his hour for a wage.

The following is a series of comments on specific topics related to the current tax system.

1. Headaches is a mild descriptive word when applied to the existing system. A wage earner in this country is forced, by means of threat and coercion, to submit to the confiscation of a large percentage of the fruits of his labor. If he asks the Taxing Administration straight forward and unambiguous questions concerning the Income Tax, he is labeled as a "Tax Protestor" and the points that he raises are called "frivolous" and without merit. The legal theory of "Due Process and the Constitutional right to petition the Government for the redress of grievances are abandoned.

Complexity is used by Taxing Administrators to confuse and to obfuscate the issues of liability and laws pertaining to taxation. Words and meanings of words are twisted and expanded to conform to the fraudulent Administration and Collection practices that are used to support a direct and un-apportioned tax on wages and salaries received in direct exchange for labor.

The burdens faced by working men and women in this country is a seemingly all powerful government agency that demands that you pay them or face economic ruin. No questions asked! The scenario is quite similar to the one that existed at the birth of this nation, only now, we have our own

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homegrown King George.

2. Aspects of the tax system that are unfair are numerous. One that I would like to draw attention to is the practice of letting the Taxing Administration operate outside of the law with impunity. They are granted, by lower courts, the presumption of correctness. They are not required to offer substantive evidence when making a claim. And all this is supposedly excused because it would interfere with the performance of their duty.

3. A specific example of how the tax code distorts important personal decisions would be its handling of the word "income". On its face the code would have the reader believe that "income" is all the money that an individual receives. The distortion continues when that money is then characterized as "taxable income". A study of the Legislative history of the Income Tax reveals the fraud perpetuated by this distortion. The Income Tax is an indirect excise tax. The subject of the tax is the activity that the individual is involved in. The measure of the amount of tax owed, is the amount of profits that are derived from the individual's participation in that certain activity. Money is not taxed, Activities are taxed.

4. The Panel's goal should be to recommend the options that would be beneficial to the working wage earners of this country. The corporate sector should be given its due consideration, but it should not be given any special consideration due to the fact that they are able to gain legislative exposure through monetary contribution.

I would urge the panel to recommend a stepping back from the

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confusion and distortion that is our present Tax Code. Step back from the disinformation and deliberate immoral and lawless activity practiced by Tax Administrators. Obtain a copy of the 1917 Amended Tax Act of 1916. Read it, and adopt its simplicity. Use plain and easily understood language to define what activities are taxable. Return to the original intent of the Sixteenth Amendment, to tax the profits derived from corporate activities as well as profits and gains realized through corporate stock ownership. It should be made crystal clear that the 16th Amendment did not change the Constitutional mandates on taxation which are clearly enumerated in Article 1, sections 2,8,and 9.

The new Code should make it perfectly clear that non-taxable wage earners pay their fair share in taxation through the money that they spend on corporate offered goods and services, that have corporate taxes embedded in the sale price, and passed along from the corporate entity to the consumer, with no opportunity for tax refund. The population should be informed through the new code, that this government recognizes the fact that the wage earner trades his hour for his wage in a direct exchange, he does not derive a profit through this exchange. The corporation derives a profit by collecting the difference between what they pay the worker and what they charge the client for the labor provided by the wage earner.

A historical study of past governments shows us that any government that tends to Rule rather than Serve the people' eventually ends in chaos and ruin. Witness the most recent downfall of the Union of Soviet Socialist

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Republics. One must realize that the Communist rulers were brought down by a number of factors, one of which was the decision by the people to withhold their labor for as long as it took to grind the government machine to a halt. It is interesting to note that one of the prominent planks of the Communist Manifesto was to enforce a graduated income tax on the earnings of its people.

Our founding fathers put forth an experiment in freedom. Myself and millions of others truly hope that the present day government servants have the common sense and courage to avoid the mistakes of past governments.

If however, the government chooses the path to destruction, the people will still be left, and we will pick up the pieces and start over, I have no doubt.

Thank you for your time and consideration in this matter.