

Dear Taxpayer(s):

This is in reply to your Tax Return dated September 6, 2004.

We have determined that the information you sent is frivolous and your position has no basis in law. Claims such as yours have been considered and repeatedly rejected as without merit by the federal courts - including the United States Supreme Court. Therefore, we will not respond to future correspondence concerning these issues. Our lack of response to further correspondence does not in any way convey agreement or acceptance of the arguments advanced. If you intend to persist in making such arguments, we encourage you to seek advice from a reputable tax practitioner or attorney.

This is to inform you of the potential consequences of the position you have taken and to offer you an opportunity to correct your positions within 30 days of the date of this letter.

Also be advised that people who violate the tax laws may be subject to federal criminal prosecution and imprisonment. Information about the IRS's criminal enforcement program is available on the internet at www.irs.gov. Once there, enter the IRS keyword: fraud.

There are some people who encourage others to violate our nation's tax laws by arguing that there is no legal requirement for them to file income tax returns or pay income taxes. These people base their arguments on legal statements taken out of context and on frivolous arguments that have been repeatedly rejected by federal courts. People who rely on this kind of information can ultimately pay more in taxes, interest and penalties than they would have paid simply by filing correct tax returns.

IRS Publication 2105, Why do I Have to Pay Taxes?, can be obtained from our internet website www.irs.gov/pub/irs-f/p2105.pdf. We also refer to a document entitled "The Truth About Frivolous Tax Arguments".

It is also on our website at: www.irs.gov/pub/irs-utl/friv_tax.pdf.
If you do not have internet access, you can obtain copies of these documents from your local IRS office.

If you do not file a correct return within 30 days of the date of this letter, or if you file one or more other documents taking a frivolous position, we will assess the frivolous return penalty on each document filed. Once the penalty is assessed, the IRS will bill you \$500 for each frivolous document filed. In addition, if we do not hear from you within 30 days, we may issue a notice of deficiency. A notice of deficiency is a legal notice to a taxpayer stating the amount of taxes and penalties owed.

This letter advises you of the legal requirements for filing and paying federal individual income tax returns and informs you of the potential consequences of the position you have taken. Please observe that the Internal Revenue Code sections listed below expressly authorize IRS employees that act on behalf of the Secretary of the Treasury to: 1.) examine taxpayer books, papers, records, or other data which may be relevant or material; 2.) issue summonses in order to gain possession of the records so that determinations can be made of the tax liability of for ascertaining the correctness of any return filed by that person; and 3.) collect such liability.

General Information on filing requirements

Title 26, United States Code

- Section 6001 Notice or regulations requiring records, Statements, and special returns
- Section 6012 Persons required to make returns, statement, or list
- Section 6109 Identifying numbers
- Section 6151 Time and place for paying tax shown on returns
- Section 6301 Collection authority
- Section 6321 Lien and taxes
- Section 6331 Levy and distraint
- Section 7602 Examination of books and witnesses

INTERNAL REVENUE CODE SECTION 6702 (FRIVOLOUS INCOME TAX RETURN PROVIDES:

CIVIL PENALTY - IF -

- (1) any individual files what purports to be a return of the tax imposed by subtitle A but which -
 - (A) does not contain information on which the substantial correctness of the self- assessment may be judged, or
 - (B) contains information that on its face indicates that the self- assessment is substantially incorrect; and
- (2) the conduct referred to in paragraph (1) is due to -
 - (A) a position which is frivolous, or
 - (B) a desire (which appears on the purported return) to delay or impede the administration of Federal income tax law, then such individuals shall pay a penalty of \$500.00

PENALTY IN ADDITION TO OTHER PENALTIES - The penalty imposed by subsection (a) shall be in addition to any other penalty provided by law.

Revenue procedure 68-12, 1968-1 C.B. 763 does not allow appeals procedures in cases of failure or refusal to comply with tax laws because of moral, religious, political, constitutional, conscientious or similar grounds. The Internal Revenue Service does not have the authority to consider such grounds in administering the federal income tax laws. If you request an appeal, a hearing, or a meeting to disagree with any examination action based solely upon one of these arguments, you will not be given consideration.

We cannot accept the Form 1040 we received from you for the tax year 2003. We find it does not contain the information the law requires you to give, and does not comply with certain Internal Revenue Code Requirements.

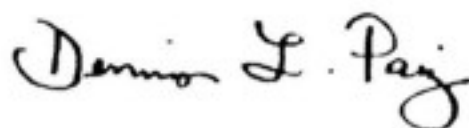
If you send us a correct return(s), we will disregard the previous document(s) filed and not assess the frivolous return penalty. Income tax forms and instructions may be obtained by calling 1-800-829-3676 or at <http://www.irs.gov/>. In addition if we do not hear from you within 30 days from the date of this letter, we may issue a notice of deficiency, if applicable; or, refer your case for appropriate enforcement action.

Please attach this letter to your response and mail it to the address shown above. The copy of this letter is for your records.

If you have any questions, please write to us at the address shown at the top of the first page of this letter. Or, you may call us toll free at 1-866-899-9083 between the hours of 7:00 am and 7:00 pm. Whenever you write, please include this letter and, in the spaces below, give us your telephone number with the hours we can reach you. You may also wish to keep a copy of this letter for your records.

Your Telephone Number (____) _____ Hours, _____

Sincerely yours,



Operations Manager
Exam SC support

Enclosure (s) :
Copy of this letter
Publication 1
Publication 2105
Envelope

Privacy Act Statement

Under the Privacy Act of 1974, we must tell you that our legal Right to ask for information is Internal Revenue Code sections 6001, 6011, 6012 (a) and their regulations. They say that you must furnish us with records or statements for any tax for which you are liable, including the withholding of taxes by your employer.

We ask for information to carry out the Internal Revenue laws of The United States, and you are required to give us this information. We may give you the information to the Department of Justice for civil And criminal litigations, other federal agencies, states, cities, and The District of Columbia for use in administering their tax laws.

If you don't provide this information , or provide fraudulent information, the law provides that you may be charged penalties and, In certain cases, you may be subject to criminal prosecution. We May also have to disallow the exemptions, exclusions, credits, Deductions, or adjustments shown on the tax return. This could make Your tax higher or delay any refund. Interest may also be charged.