

A Few Words About Social Security Numbers And The Income Tax

One of the most persistent, and most destructive, misunderstandings plaguing the "tax honesty" community is that having had a social security number (SSN) assigned to oneself, or furnishing such a number to others, causes a tax liability to arise (or causes that which otherwise is not taxable to become so).

SSNs can and do play a part, in some cases, in a fiction in which those whose activities are not subject to the tax are made to look, superficially, as though they are subject to the tax, for awhile. But such folks-- and/or their activities-- do not become subject by way of this pretense.

Rather, those invited (or effectively coerced) into the furnishing of social security numbers in connection with what are NOT actually activities subject to the tax are like people attending a party who, upon entering, are all asked to wear a tag with "Caterer" on it throughout the evening. At the end of the party, the announcement is made that whoever did the catering has to stay after and clean up.

The actual caterer of the party must stay and clean, of course. But those who DIDN'T actually cater the party, but are merely wearing tags saying "caterer" on them, just as obviously do not.

Someone may stand at the exit and point out each departing guest's tag to the doorman, who then command them to stay and clean, but any guest who declares himself or herself to have NOT actually catered the party heads out the door without further ado (although the doorman might run after one or two unlucky guests for a bit, asking with an increasingly obnoxious whine, or threatening-sounding growl, "Did you really mean that you're not the caterer? Are you sure you don't want to change your mind? Caterers that don't own up get into trouble, you know!").

The doorman will also accost anyone trying to leave the party who ISN'T wearing a "caterer" tag, and demand that THEY stay and clean, as well, by the way. After all, a tag is just a tag. Just as wearing a "caterer" tag neither makes someone into a caterer in general, nor the caterer responsible for this party in particular, NOT wearing one doesn't make one NOT the caterer of the party. A tag is just a tag. What actually happened is all that matters.

But there is one caveat: Even those who DIDN'T cater the party CAN be made responsible for cleaning it up-- if they forget, or somehow don't understand, that they didn't really cater the party, and instead declare themselves to have done so. This might happen because the declarants had a few drinks, and everyone's been addressing them as "caterer" all evening; or maybe because they don't even know what "catering" means...

In any event, once anyone has made this declaration, the owner of the facility can sue them if they don't stay and clean. But this arising of liability has nothing whatever to do with the fact that the poor schmucks who didn't really do the catering but end up wiping down the tables anyway were wearing "caterer" tags. It is because they declared themselves to be among those liable for the clean-up when the question actually got asked of them at the end of the party. (Or, refused to say that they weren't when heading for the door and being confronted by that fellow making allegations.)

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All of the above is exhaustively explained in '[Cracking the Code- The Fascinating Truth About Taxation In America](#)' (and supplemented in various places throughout [losthorizons.com](#), such as the "[FAQ](#)" and "[Misunderstandings](#)" pages, for instance, and as a frequent topic in the [newsletters](#), as well). Nonetheless, misunderstandings (and misdirections) concerning social security numbers persistently clutter up forums, newsgroups, chat rooms and everyone's email.

It's a shame that this goes on as a general matter, in that any and all misunderstandings interfere with the important work of helping each other gain an accurate understanding of the tax and the law, and that of spreading the word about these important matters to others outside the CtC-educated community. But the misunderstanding/mis-direction about SSNs is more pernicious than most.

This is so because for one thing, once assigned, SSNs are permanent. They don't belong to the person with whom they are concerned-- they are, after all, just Social Security Administration account numbers. That is, they are just the ID numbers under which records about a given individual are filed, and the individual has no more power to "rescind" or undo them than one would have in making one's library card number (and the records of library activity associated with it) go away.

Further, SSNs are demanded of people constantly, in connection with all manner of activities, and have been throughout the lives of most Americans. Thus, everyone has a sense of having intertwined their lives with these numbers.

Putting the three things together-- misunderstanding about the legal significance of the numbers, their ineradicable nature, and their ubiquity in the lives and affairs of those to whom they have been assigned-- creates a sense of hopelessness. After all, IF the numbers DID have the liability-generating effect that the myth-spinners suggest, most Americans would find themselves inescapably stuck in the "income tax" web.

Happily, the average American is NOT stuck in any such web. All that is required for liberty in this regard is an accurate understanding of the tax and the law, and enough courage and clear-headedness to declare the simple truth to the doorman when confronted.

Not so happily, it appears that those who parasitically live off the efforts of others through the misapplication of the income tax have figured out the despair-inducing calculation of which misunderstanding the effect of SSNs is a necessary component. Accordingly, they spare no effort to inject into public consciousness the idea that SSNs are more significant than they are-- particularly within the "tax honesty" community, through live agents within interest groups, chat-rooms, forums and so forth, and through a constant circulation of such nonsense in emails and printed materials.

I hope everyone will be just as vigorous in denouncing such misinformation, and those known to be behind it. The truth will not soon prevail if those presenting and upholding it are constantly having to fight their way through an endless swamp of nonsense; thus, no one should be permitted to get away with introducing or circulating this trash a second time without being booted from every forum, or deleted from every address book or email list.

-Pete Hendrickson