

Something Far Better than Itemizing Deductions

Many Americans, in relying on their 'tax professional' for advice, spend much time throughout the year saving receipts and attempting to itemize deductions as a means to reduce the "Adjusted Gross Income" that they calculate on IRS form 1040, to reduce their tax liability. However, what if there were a much more efficient and effective strategy, *in full harmony with the law*, to mitigate the income tax burden? In fact, there is. And it's ***much*** better than relying on bad, wrong advice from traditional 'tax professionals'. Please read on.

Every January, individuals from private-sector payroll departments across the country, who are ignorant of the law and unqualified to do so, submit false testimony (often unwittingly) to the IRS about you in the form of information returns such as W-2s and 1099s. These documents do much more than indicate how much money the company paid you. Most importantly, these documents create allegations about the legal nature of the work that was performed in exchange for the payments, by ascribing a misleading Code-defined term to the payments. Because most American workers are just as ***uninformed*** as the payroll clerk who is incompetent to testify about the legal nature of the work that was performed, they fail to question the information returns. Instead, most individuals simply take these forms, attach them to their tax returns, and report the numbers as taxable federal income. This is often after much effort has been spent collecting and saving receipts to itemize deductions.

However, a simple exercise of research into the scope and intent of the US Federal Income Tax laws will reveal that the income tax is an indirect excise¹ applicable only to certain very specific, taxable activities² connected to federal privilege. A review of key definitions in the Internal Revenue Code will reveal that diligent effort was made to harmonize the Code with the Constitution's protections³ of one's right to work^{4,5} and earn a living in the private sector, without any threat to one's wealth. Hundreds of thousands of informed Americans, who have educated themselves about the limitations of the federal income tax, have learned how to perform their moral duty⁶ to keep the government restrained by lawfully minimizing their tax burden⁷. And they have done this without resorting to saving receipts and itemizing deductions. The process is as simple as rebutting improper W-2s, 1099s, and other such information returns and replacing them with honest, lawful, factual, and correct legal documents when filing tax returns. In so doing, filing income taxes becomes very simple and streamlined. And the best part is that tens of thousands of Americans who have done so have, for more than 13 years, received 100% tax refunds⁸, including Federal Income Tax, Social Security, and Medicare contributions.

If you work in the non-federal private sector, inform yourself about the scope, intent, and limits of the federal income tax. You will quickly see that saving receipts for the purpose of itemizing deductions is an unnecessary and unproductive use of your time in comparison to following the letter and intent of the US Income Tax laws. Become informed at

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1 *"...in Springer v. U. S., 102 U.S. 586, it was held that a tax upon gains, profits, and income was an excise or duty, and not a direct tax, within the meaning of the constitution, and that its imposition was not, therefore, unconstitutional."*

--Pollock v. Farmer's Loan & Trust, 157 U.S. 429 (1895)

"[T]he [Sixteenth] amendment made it possible to bring investment income within the scope of the general income-tax law, but did not change the character of the tax. It is still fundamentally an excise or duty..."

--Treasury Department legislative draftsman F. Morse Hubbard, 1943 Congressional Hearing Testimony

2 *"The income tax is, therefore, not a tax on income [money] as such. It is an excise tax with respect to certain activities and privileges which is measured by reference to the income which they produce. The income is not the subject of the tax: it is the basis for determining the amount of tax."*

--F. Morse Hubbard, Treasury Department legislative draftsman. House Congressional Record, March 27, 1943, page 2580

3 *"No capitation, or other direct, Tax shall be laid, unless in Proportion to the Census or Enumeration herein before directed to be taken."*

--United States Constitution, Article 1, Section 9

4 *"The right to...pursue an occupation or profession not in itself hurtful or conducted in a manner injurious to the public, is a common right, which, under our Constitution, as construed by all our former decisions, can neither be prohibited nor hampered by laying a tax..."*

--Sims v. Ahrens, 167 Ark. 557, 271 SW 720 594, 595 (Ark. 1925)

5 *"The right to follow any of the common occupations of life is an inalienable right... It has been well said that 'the property which every man has in his own labor, as it is the original foundation of all other property, so it is the most sacred and inviolable. The patrimony of the poor man lies in the strength and dexterity of his own hands, and to hinder his employing this strength and dexterity in what manner he thinks proper, without injury to his neighbor, is a plain violation of this most sacred property' Smith, Wealth of Nations, Bk. I, c. 10."*

--Butcher's Union Co. v. Crescent City Co., 111 U.S. 746 (1883)

"Included in the right of personal liberty and the right of private property- partaking of the nature of each- is the right to make contracts for the acquisition of property. Chief among such contracts is that of personal employment, by which labor and other services are exchanged for money or other forms of property"

--Coppage v. Kansas, 236 U.S. 1 (1915)

6 *"It is not the function of our Government to keep the citizen from falling into error; it is the function of the citizen to keep the Government from falling into error."*

--U.S. Supreme Court Justice Robert H. Jackson

7 *"Any one may so arrange his affairs that his taxes shall be as low as possible; he is not bound to choose that pattern which will best pay the Treasury; there is not even a patriotic duty to increase one's taxes."*

--Helvering v. Gregory, 69 F.2d 809, 810-11 (2d Cir. 1934), Judge Learned Hand

8 www.losthorizons.com/BulletinBoard.htm