

**There IS an Income Tax...**

**HOWEVER**

“Everything” you earn

**IS NOT**

“Taxable Income”

**Did YOU earn your money by:**

- WORKING FOR...
- DOING BUSINESS WITH...
- INVESTING IN...

**THE FEDERAL GOVERNMENT ?**

If not, then those earnings  
**ARE NOT “taxable income”**

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➤ [http://www.law.cornell.edu/uscode/html/uscode26/usc\\_sup\\_01\\_26.html](http://www.law.cornell.edu/uscode/html/uscode26/usc_sup_01_26.html)

**TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter B > PART I > § 63. Taxable income defined**

*(a) In general*

*Except as provided in subsection (b), for purposes of this subtitle, the term "taxable income" means gross income minus the deductions allowed by this chapter (other than the standard deduction).*

➤ **That's not very helpful, what exactly IS "income" since THAT is what you are taxing...**

**US Supreme Court, US v. Ballard, 535 f2d 400, 404 (1976)**

*"The general term "income" is not defined in the Internal Revenue Code"*

➤ **What does the Dictionary say "income" is?**

**in·come**

*The monetary payment received for goods or services, or from other sources, such as rents or investments.*

➤ **OK, "income" is all that I earn from my work and investments...just what I thought...**

**US Supreme Court, Southern Pacific v. Lowe 247 U.S. 330 (1918)**

*"We must reject the broad contention submitted in behalf of the government that all receipts, everything that comes in, are income..."*

➤ **WHAT !?....."income" is NOT "all" money that I receive !?**

**What does the Constitution say about a DIRECT TAX upon my earnings?**

**US Constitution, Article 1 Section 9**

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

➤ **In response to the above Constitutional reference, your accountant or the IRS will probably refer to the 16th Amendment, commonly known as the "Income tax".**

➤ **To which the Supreme Court would reply...**

**US Supreme Court, Stanton v. Baltic Mining Co. 240 U.S. 103 (1916)**

*The provisions of the Sixteenth Amendment conferred no new power of taxation...*

➤ **Additionally...**

**Howard M. Zaritsky, Legislative Attorney, American Law Division of the Library of Congress**

**Report No. 80-19A "Some Constitutional Questions Regarding The Federal Income Tax Laws"**

**Page CRS-5 (1979):** *"The Supreme Court, in a decision written by Chief Justice White [the Brushaber ruling], first noted that the Sixteenth Amendment did not authorize any new type of tax, nor did it repeal or revoke the tax clauses of Article I of the Constitution, quoted above. Direct taxes were, notwithstanding the advent of the Sixteenth Amendment, still subject to the rule of apportionment and indirect taxes were still subject to the rule of uniformity."*

**F. Morse Hubbard, Treasury Department Legislative draftsman.**

**March, 27 1943 Page 2580**

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

The "**PRIVILEGE**" you must participate in to earn "taxable income" is working for, doing business with, or investing in businesses majority-owned by the Federal Government or "Federal Instrumentalities". If you make your money having nothing to do with the Federal Government, then your earnings are not "taxable income".

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The book: "Cracking the Code, The Fascinating Truth About Taxation In America" ISBN# 0974393606  
READ A BOOK, OR KEEP PAYING IT FOR THE REST OF YOUR LIFE.....I think it's an easy decision.