

TAX SEASON SHUFFLE

"Just think of the money you get back!"

Well, it's that time of year, you bet, all the reporting forms—Wn's and 1099s and the corresponding ones for 'income'-tax-enabled states—are supposed to have been delivered to the pigeons, er, 'taxpayers', by the end of January. I love the cheerful banter you hear from our home-grown victim class: "This is going to be a really good year, I'm getting a lot of money back!" [I'm reminded how a boy feels when his parents finally let him break open the piggy bank... only most parents don't funnel 90% of junior's deposits into their own pockets.]



And yes, my mom (84), bless her little peapickin' heart, is one of the true believers in the American System of Pelf, and has been since the days of her hero Franklin Roosevelt. Why not? FDR's favorite program Social Security is a relative bargain for those who (were forcibly) enrolled early; they paid in less, and they get out more—even if it is a small fraction of what they would have earned with private retirement policies. Of course, SS is a total fraud and would be prosecuted as an illegal pyramid scheme were it a private company. But let's not dwell there; we have bigger fish to fry:

The 'Income' Tax[1]

What if I can prove to a rational certainty that the US federal 'income' tax does not apply to the earnings of private sector workers, businesses, investors, etc.? Well, I can.

More precisely, a man named Pete Hendrickson (in his masterpiece of discovery, *Cracking the Code: A fascinating look at taxation in America*, 2003) has already proved beyond any reasonable doubt that the federal 'income' tax applies solely to the exercise of federal-government privilege—proceeds from holding federal office or working for the federal government or one of its corporations—not to private-sector earnings obtained through the exercise of the natural right of a human being to make a living.

There is no trick. We are not making this up. It isn't a fairy tale or wishful thinking. The federal 'income' tax statutes and revenue code are consistent and exact (albeit rife with misdirection and obfuscation): if you trade your services or products for the services or products of others—one such product may be monetary compensation—the property you receive is not income as defined in the federal revenue statutes and code. Income, as defined in the statutes and code, is earnings from a federally privileged activity. That's it. Case closed. Read the book or do what Pete Hendrickson did, read and search the 3.5 million words of the statutes.

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On the level of common sense we know the 'income' tax does not apply to direct earnings-by-right because it is not a direct tax. It is not a direct tax because direct taxes remain unconstitutional unless apportioned (Article 1, Section 9). [Hendrickson makes some excellent arguments about how the framers, like their hero Adam Smith, detested direct taxes as "inequitable, inflationary, counterproductive, and destructive of liberty."]

Back to the Way Things Are

As Pete so eloquently puts it, we have inherited a lie so deep that its millions of victims, like my mother, are susceptible to the "Stockholm Syndrome" (where those "unable to escape an assailant come to terms with their plight through a delusional sublimation of their own interests to those of their victimizer"). Part of that sublimation is to look at so many of the bells and whistles attending the annual fleecing in a favorable light. I'm thinking TurboTax® by Quicken... a product that Mom swears by.

Sure enough, it's pretty slick, and you can count Quicken among that cadre of accountants, lawyers, tax preparers, and whoozits that profit from the system—outrageously, some would say. EVERY YEAR, my dear mother has the privilege of sending \$59.95 to the good folks at Quicken, who make preparing her simple form on the computer—and getting her money back so quickly—such a pleasure. [This is the first year I've had to help her with the process.]

It's pretty slick all right. Quicken should be ashamed of itself for raping the public repeatedly for updates. Then there's the amount of time, even with such a simple bunch of forms as my mom's, that it takes to do all this processing. I tell her, "Just think of all this effort that we're expending, multiply it by approximately 5x for an average return, then multiply it again by perhaps 100,000,000 people who have been deluded into paying a tax they are not liable for. Now that's what I call a waste!"

She tells me I'm just being negative, then chides me that I'd better pay my taxes because it's just stupid not to. "Think of the money you get back! And pretty soon you're going to be eligible for Social Security."

To File or Not to File

Granted those of us in the educated tax movement[2] face a real quandary, especially if we have a lot of property at stake, have families, or are responsible for someone else's care. No one wants the IRS or even the states to come down hard on him, harass him like there's no tomorrow. The stories are outrageous. Personally, I don't have anyone to help with my mom's dialysis transportation or medical appointments. Pete's approach is to correct any forms that indicate 'income' that was not 'income' and obtain refunds. But he's been jailed by a kangaroo traitor-judge, most certainly to scare off the millions who know and would act on the truth.

On the other side, thousands of people have filed educated-Pete and received refunds. Another angle is simply not to file at all. Maybe simple refusal to cooperate is best. When you reach the realm of arbitrary law, I don't think trying to uphold the law in the courts does any good. It's like Alice in Wonderland in there, antihuman nonsense, not meant for honest folk. The people running the government-revenue court system are simply gangsters like Idi Amin; the solution is to toss them out in the street and start over. Restore the republic, free the political prisoners, install judges who enforce the nonaggression principle consistently. Panarchy is an idea whose time has come, and I believe the truth will prevail soon.

We'll just have to tough it out, discuss best practices with other patriots. But please let's not stand silent when anyone justifies the current gangsta federal system by claiming, like my dear mother and so many others, "you'll get your money back..." unless that means you get back everything the government took from you to begin with, plus interest. :)

[1] The use of quotation marks around the word 'income' in this instance means the word has a special meaning in the law—a meaning different from the colloquial usage of 'what comes in'—and that special meaning is what we are conveying with the quotes.

[2] I'm not deep into the law, but I've read Pete's book, and it is thorough. I used the educated tax movement to mean those who understand that the income tax does not legally apply to private-sector earnings. Then what each leader in the movement chooses to do about that fact is what makes horse races.

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