Editor’s note: On Sept. 25 and 26, an historic meeting between the federal government and leaders of the “tax honesty movement” — arranged in response to the hunger strike of tax activist Bob Schulz — will unfold in Washington, D.C. WorldNetDaily will be there to cover the proceedings.

As a prelude to this confrontation over the legality of the income tax, the following is the first in a series of reports discussing an internal document from the Internal Revenue Service’s own website. The document is intended to guide the agency’s employees in how to deal with what the IRS calls “frivolous tax arguments.”

If you think payment of income taxes is voluntary, or that “wages, tips and other compensation” do not constitute income, or that you don’t owe income taxes if you don’t consider yourself a U.S. citizen, the Internal Revenue Service implores you to think again.

According to a 25-page IRS document entitled “The Truth About Frivolous Tax Arguments,” none of those assertions – or a number of other “anti-tax” positions – are valid.

In fact, just as the title of the tax agency’s online document says, the IRS officially considers such arguments invalid, and – in a section published at the end of the document – advises taxpayers that those who rely on such arguments in court are not only going to be found guilty, but are likely going to receive a stiff sentence.

“Those who act on frivolous positions risk a variety of civil and criminal penalties,” the IRS document warns.

In fact, “those who adopt these positions may face harsher consequences than those who merely promote them,” the document added, noting that Section 6702 of the U.S. Tax Code “provides for the imposition of a $500 penalty against any individual who files a frivolous income tax return.”

‘Voluntary’ or not?

The IRS document is divided into six general categories; the first discusses the argument that filing taxes is “voluntary.”

“Some assert that they are not required to file federal tax returns because the filing of a tax return is voluntary,” the document states. “Proponents point to the fact that the IRS itself tells taxpayers in the Form 1040 instruction book that the tax system is voluntary.”
Those who maintain the system is voluntary, says the IRS document, also point to “the Supreme Court’s opinion in Flora v. United States [362 U.S. 145, 176 (1960)],” as a case that is “often quoted for the proposition that ‘[o]ur system of taxation is based upon voluntary assessment and payment, not upon distraint.’”

But, the agency says, the term “voluntary” as it is used in Flora and in other IRS publications “refers to our system of allowing taxpayers to determine the correct amount of tax and complete the appropriate forms, rather than have the government determine tax for them. …”

The actual “requirement to file an income tax return is not voluntary,” the agency says, noting that filing requirements are “clearly” set forth in IRS and Treasury Department code.

Also, the IRS document quotes the 10th U.S. Circuit Court as finding that “although Treasury regulations establish voluntary compliance as the general method of income tax collection, Congress gave the Secretary of the Treasury the power to enforce the income tax laws through involuntary collection.”

To tax activists, that seems like a baffling contradiction.

Forced to ‘volunteer’?

“The government allows us to determine the amount of some tax and if we don’t voluntarily do this, they come in and stick guns to our heads. That’s their definition of voluntary?” said Devvy Kidd, advisory board member of the Sacramento, Calif.-based Wallace Institute, a judicial activist group that deals with tax-related issues, among others.

“People have been asking the same question for nearly 80 years: What makes me liable for this tax? Can you show me the law? The response is always the same boilerplate one, or you simply get ignored,” she said.

Kidd says arguing about what the tax code states is a waste of time because courts and tax specialists accept what is written there as if it were law. But the code never actually states that citizens are required to pay an income tax, activists claim. They also say the tax code is intentionally complex to mask its lack of legal authority.

Still, the IRS insists taxpayers don’t have a choice when it comes to paying income taxes.

“In a similar vein” to the “voluntary filing” issue, the IRS publication says, “some argue that they are not required to pay federal taxes because the payment of federal taxes is voluntary.”

According to the agency, the law says “the requirement to pay taxes is not voluntary and is clearly set forth in section 1 of the Internal Revenue Code, which imposes a tax on the taxable income of individuals, estates, and trusts. …”

IRS bashes 'frivolous tax arguments
Adding to the confusion is the fact that even some IRS officials have, in public interviews, described the system as “voluntary.”

In an article discussing the dramatic fall in IRS audits and prosecutions of “tax cheats,” Mark Weinberger, assistant Treasury secretary for tax policy, told USA Today in a June 20 article, “Let’s face it, with a voluntary tax system, you still have to have a deterrent, so people who are tempted to not comply with the law believe they are going to get caught.”

In order to substantiate her own claim that the IRS is misleading taxpayers about the requirement that they pay federal income taxes, Kidd directed WND to an Oct. 27, 1998 letter written by Harry T. Manaka, national director, Collection Field Operations, for the IRS.

The letter states: “Our system of taxation is dependent on taxpayers’ belief that the laws they follow apply to everyone and that the IRS will respect and protect their rights under the law.”

Kidd said another IRS document seems to suggest that U.S. district court judges may be subject to official intimidation by the Treasury Department, which could explain why federal courts routinely uphold the IRS’ arguments.

“If you read this document, it becomes very apparent that federal judges are under the threat of investigation by the IRS. If one would like to argue conflict of interest here, a very good case can be made,” she told WND. “How can any federal judge rule against the IRS if they know that retaliation is just around the corner?”

“Tax honesty” advocates have long sought to engage IRS, Treasury and other U.S. government officials in open public debate about key issues, such as: whether the income tax is mandatory; whether the 16th Amendment to the Constitution – which authorizes an income tax – was properly ratified; and whether IRS codes have the power and effect of genuine law.

“I’m doing everything I know how to do, short of breaking things and killing people, to bring the government back to its boundaries that the people have drawn around its powers,” Bob Schulz, a tax activist who recently ended a hunger strike when federal officials agreed to meet him next month, told WorldNetDaily in July.

“The people are on a collision course with the government,” he said. “I’m trying to prevent violence. I’m trying to draw attention to the fact that the government has an obligation to answer these complaints.”

“I’m not against taxes. I pay all my taxes, income taxes and so forth. I’m interested in issues of government. … The way things are working are in sharp contrast to the way things are designed to work,” he said.

Schulz, founder of We The People Foundation for Constitutional Education, is scheduled to meet...
federal officials Sept. 25 in Washington, D.C., at the Cannon House Office Building on Capitol Hill. He ended a three-week hunger strike Friday, July 20, after Rep. Roscoe G. Bartlett, R-Md., who supports Schulz, and Assistant Attorney General Dan Bryant signed an agreement to hold an open hearing in September discussing the movement’s arguments.