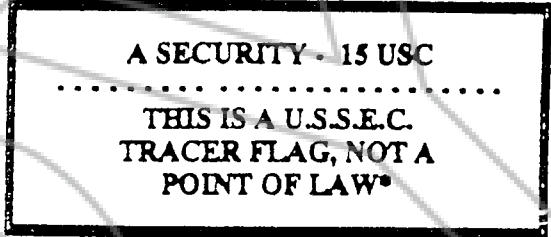
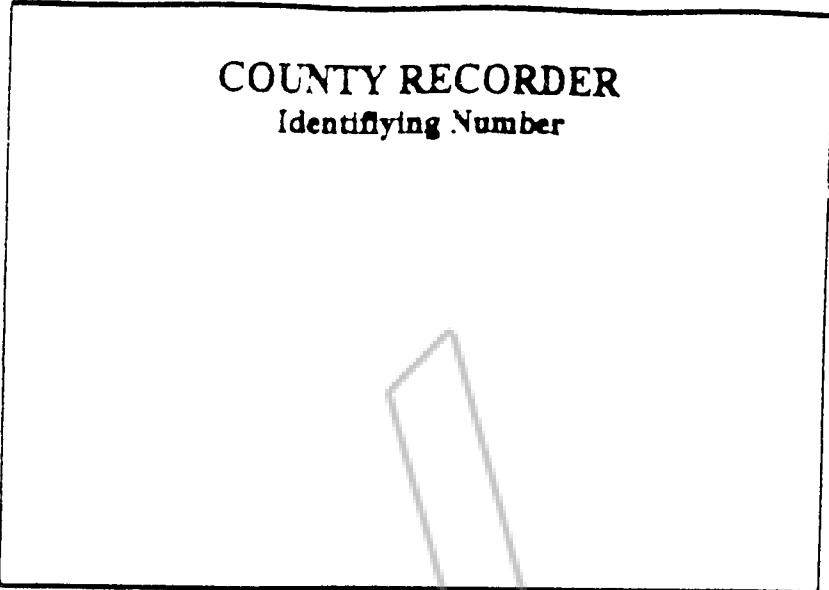


28-
To Finley G. Smith
11962 Zephyr Cove
Nevada 89418



COMMERICAL AFFIDAVIT

NEVADA Republic *

* KNOW ALL MEN BY THESE PRESENTS

DOUGLAS County *

WHEREAS, THE ETERNAL AND UNCHANGING PRINCIPLES OF THE LAWS OF COMMERCE ARE:

1. A matter must be expressed to be resolved.
2. In commerce, TRUTH is sovereign.
3. TRUTH is expressed in the form of an AFFIDAVIT.
4. An un rebutted AFFIDAVIT stands as TRUTH in commerce.
5. An un rebutted AFFIDAVIT becomes the judgement in Commerce.
6. An AFFIDAVIT of Truth, under commercial law, can only be satisfied:
(i) through a rebuttal Affidavit of Truth, point for point, (ii) by payment,
(iii) by agreement, (iv) by resolution by a jury by the rules of Common Law.
7. A workman is worthy of his hire.
8. All are equal under the law.

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The foundation of Commercial Law is based upon certain eternally just, valid, and moral precepts and truth, which have remained unchanged for at least [6] thousand years, having its roots in Mosaic Law. Said Commercial Law forms the underpinnings of Western Civilization, if not all Nations, Law, and Commerce in this world. Commercial Law is non judicial, and is prior and superior to, the basis of, and cannot be set aside or overruled by statutes of any governments, legislatures, Government or Quasi-Governmental Agencies, Courts, Judges, and law-enforcement agencies, which are under and inherent obligation to uphold said Commercial Law.

**KNOW ALL MEN, THAT I CERTIFY IN THIS AFFIDAVIT OF TRUTH
THAT THE FOLLOWING FACTS ARE TRUE, CORRECT AND COMPLETE.**

I, Finley G. Smith, *Sui Juris*, the undersigned, a Citizen of the Nevada Republic, domiciled as a matter of fact and intent in the county of Douglas, whose boundaries have been previously ascertained as a matter Law to be within the said Nevada Republic. c/o Finley G. Smith, P.O. Box 11962, Zephyr Cove, Nevada, **do solemnly swear, affirm, declare, attest and depose:**

1. That I am of lawful age and am competent to make this Affidavit.
2. That I have personal knowledge of facts stated herein.
3. That I am not under the lawful guardianship or disability of another. This sworn affidavit is made as a matter of record of my own right, sui juris, in my own proper status, propria persona.

4. I, was born by the grace of God, and according to the laws of Nature in the County of Mississippi, whose boundaries have been ascertained by law to be in the contiguous Republic of Arkansas, and I am now domiciled in the County of Douglas, where I have occupied such status for a period of approximately, 27 years.
5. I, Finley G. Smith, am a natural born, Sovereign, preamble, de jure Citizen of one of the 50 sovereign American states.
6. I am a Citizen under the Constitution of 1787, the Bill of Rights ratified in 1791, and precedent decisions of Article III Justice Courts of Law.
7. I have rights which are unalienable, and which were endowed me by my Creator, by whose Grace I exist, and which were secured by the Constitution. I do not waive any of my rights at any time, for any cause or reason.
8. The government of the United States may assume no powers over the People of the 50 sovereign states, that were not specifically delegated to it in said Constitution.
9. I do not owe my Citizenship to the 14th Amendment.

- 10 I am not liable for the Title 26 USC, Internal Revenue Code {IRC}, Subtitle A, Section 1 graduated income tax, for reasons of my alienage to the State of the forum of United States tax Laws.
11. I was not born in a territory over which the United States is sovereign.
12. I am not the citizen subject to its jurisdiction, as such term is defined in 26 CFR 1.1-1{c}.
[c]"who is a citizen: Every person born or naturalized in the United States and subject to its jurisdiction is a citizen.
3A AM JUR 1420, Aliens and Citizens "A Person is Born subject to the jurisdiction of the United States, for the purposes of acquiring citizenship at birth, if this birth occurs in a territory over which the United States is sovereign.
13. I am " nonresident to" and " not a dweller within" the jurisdiction of "the State of the Forum" of Art. 1 Sec.8, CL 17 and Art. IV, Sec.3, CL. 2 of the Constitution for the United States of America, in which Congress "exercises exclusive Legislation in all Cases whatsoever, over such District not exceeding ten miles square, beyond the seat of Government, or places

legally ceded by the states for the Erection of Forts..
Arsenals, and other needed buildings, or any other
territories or properties " belonging to the United
States. I am therefor, not liable for the Title 26,
Subtitle A, Sec.1, graduated income tax for reasons of
my nonresidence to such State of the Forum.

"It is a well established principal of law that all federal legislation applies only within the territorial jurisdiction of the United States unless a contrary intent appears." Foley Brothers v. Filardo, 336, U.S.281

14. I am not "a resident of", "inhabitant of", a "franchise of", "subject of", "ward of", "property of", "chattel of", or "subject to the jurisdiction of", the State of the Forum of any United States, corporate State, corporate County, or corporate City, Municipal, body politic created under the primary authority of Art.1, Sec.8 CL.17 and Art.IV, Sec.3, CL.2 of the Constitution for the United States of America and I am not subject to any legislation created by such authorities and I am not subject to the jurisdiction of any employees, officers or agents deriving their authority thereof. Further, I am not a subject of the Administrative and Legislative Article 1 Courts or bound by the precedents of such courts, deriving their jurisdiction from said authorities.

"Legislation enacted by congress applicable to the inferior courts in the exercise of the power under Article 111 of the Constitution cannot be affected by legislation by Congress under Article 1, Sec.8, CL.17 of the Constitution." D.C.. Code, Title 11 at pg.13

15. As a Sovereign Citizen of one of the fifty states, under the Constitution and Law, only Article 111 Justice Courts of Law are applicable to me.

16. **TAKE NOTICE** that I, hereby, cancel any presumed election made by the United States Government or any agency or department, thereof, that I am, or ever have been a citizen or resident of any territory, possession, instrumentality or enclave, under the sovereignty or the exclusive jurisdiction of the United States, as defined and limited in the Constitution for the united States of America in Article 1, Section 8, Cl.17 and Article IV, Section 3, Cl.2. I further cancel any presumption that I have ever voluntarily elected to be treated as such a citizen or resident.

17. **Take Notice** that I revoke and cancel all of my signatures on any other forms, which may be construed to give the Internal Revenue Service or any other agency or department of the United States Government,

created under the authorities of Article 1, Section 8, Cl.17 and Article IV, Section 3, Cl.2 of the Constitution for the United States, authority or jurisdiction over me. I also revoke, rescind and make void ab initio, all powers of attorney, in fact, in presumption, or otherwise signed by me or anyone else, with or without my consent, as such powers of attorney pertains to me, by but not limited to, any and all governmental/ quasi/ colorable, public, Governmental entities, or corporations, on the grounds of constructive fraud, and nondisclosure of pertinent facts.

18. I am not an officer, employee, or elected official, of the United States, the District of Columbia, or any agency or instrumentality of the United States or the District of Columbia.
- 19 I am not an officer of a corporation, under a duty to withhold.
20. I am not an "employee" as such "term" is defined in Law and in the Internal Revenue Code.
Federal Register, Tuesday, Sept.7,1943 Sec.404.104,
pg 12267:Employee:"The term "employee" specifically
includes officers and employees whether elected or

appointed of the United States, a State, territory or political subdivision thereof or the District of Columbia or any agent or instrumentality of any one or more of the forgoing".

SEC.3401{c}-"For purposes of this chapter, the term employee includes an **officer, employee, or elected official of the United States**, a State or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of one or more of the forgoing. The term employee also includes an officer of a corporation.

21 Because I am not an "employee" I do not earn "wages" as such terms are defined in the Internal Revenue Code. The term wages is defined in Sec.3401[a] as:[a]Wages- "...the term "wages" means all remuneration... for services performed by an employee for his employer..."

22 Further, pursuant to the Public Salary Act , of 1939, Title 1, Sec.1, I do not earn "gross income" as such term is defined therein.

Public Salary Act of 1939, Title 1-Section 1. Sec.1
22[a] of the Internal Revenue Code relating the definition of "gross income" is amended after the words "compensation for personal service" the following:
"including [only] personal service as an officer or

employee of a State, or any political subdivision thereof, or any agency or instrumentality of any one or more of the forgoing."

23. I am not involved in any type of 'revenue taxable activities' including but not limited to, the manufacture, sale or distribution alcohol, tobacco, or firearms, or any other regulated industry, trade or profession.
24. I do not reside in, or obtain income from any source within the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, or any other Territory, Possession enclave or instrumentality of the United States or of the District of Columbia.
25. I am not a United States Person, United States Resident, U.S. Individual, U.S. Corporation, or "citizen subject to its jurisdiction", as such "words of art" are defined in the Internal Revenue Code and other applicable U.S. codes.
26. The 16th Amendment did not repeal the Constitutional apportionment restrictions imposed on direct taxes {Art.1,Sec.2, Cl.3, Art.1,Sec.9,Cl.4}. Taxes on Personal property are direct taxes, not taxable by the

federal government unless apportioned according to the census of the states." *The 16th Amendment must be construed in connection with the clauses of the original Constitution...*" *Eisner v. Macomber*, 252 U.S. 189 at 205

"The 16th Amendment conferred no new power of taxation" *Stanton v. Baltic Mining Co.* 240 U.S. 103

27. Compensation for labor and the exercise of the right to labor are personal property and, as such, are items of income, under the Constitution {Art.1, Sec.2, Cl.3, Art.1 Sec.9, Cl.4} not taxable by the Federal Government as a graduated income tax. Compensation earned exercising the Right to labor is excluded from "Gross Income" and exempt from taxation under Title 26, under authority of Title 26, CFR {39} Sec.9.22[b]-1, as follows:

26 CFR Sec. 9.22[b]-1 "Exclusions from Gross Income, - The following items shall not be included in gross income and shall be exempt from taxation under this Title.

[b]-1 Exemptions; exclusions from gross income.
Certain items of income... are exempt from tax and may be excluded from Gross income... those items of income which are, under the Constitution, not taxable by the Federal Government."

28. The 16th Amendment is limited to only indirect taxes.

29. The income tax is an excise tax. My compensation for labor is my personal property and is not taxable by the federal Government except by the rule of apportionment.

"The 16th Amendment correctly interpreted is limited to indirect taxes and for that reason is Constitutional The conclusion reached in the Pollock case...recognized the fact that taxation on income was in its nature an excise..." Brushaber v. union Pacific RR Co. 240U.S.1 at 10, 11, 12,18,19

30. An excise tax CANNOT be imposed upon the [natural] person, measured by his/her income, because such a tax would be a direct capitation tax,subject to the rule of apportionment and NOT AN EXCISE TAX.

"Neither can the tax be sustained on the person measured by income. Such a tax would be, by nature a capitation rather than an excise." Peck v. Lowe 247U.S.,165;

31. The requirement to pay an excise tax involves the exercise of a privilege. I am exercising no taxable privileges.

"Excises are taxes laid upon the manufacture, sale or

consumption of commodities within the country, upon the licenses to pursue certain [regulated] occupations and upon corporate privileges; the requirement to pay such taxes involves the exercise of a privilege." Flint v. Stone Tracy Co. 220 US 107.

32. I provide for my existence by working in a nontaxable occupation of common right, which was provided by common will of the citizenry of the Nevada Republic who altered their state charter in 1932 to create and provide the opportunity to labor [in natural equity] at such common law occupation."The individual, unlike the corporation, cannot be taxed for the mere privilege of existing. The corporation is an artificial entity which owes its existence and charter powers to the state; but the individual's Right to live and own property are natural Rights for the enjoyment of which an excise cannot be imposed....we believe that the conclusion is well justified that a tax laid directly upon the income of property, real or personal, may well be regarded as a tax upon the property which produces the income." Redfield v. Fisher Oreg.Sup.Ct.292 at 813, 817,819[1930]

33. My compensation constitutes the "fruits of my labor". This is my substance and my personal property and the

Government may not deprive me of any portion of my property by appropriating it against my will.

"...Every man has a natural right to the fruits of his own labor, as generally admitted; and no other person can rightfully deprive him of those fruits, and appropriate them against his will..."-The antelope 23 US.66,120

"The right to labor and to its protection from unlawful interference is a Constitutional as well as a common-law right. Every man has a natural right to the fruits of his own industry." 48 am jur2d Section 2, Page 80

"A state [or the United States] may not impose a charge for the enjoyment of a right granted by the Federal Constitution." Murdock v. Pennsylvania, 319 U.S.105 at 113.

34. The Victory Tax Act of 1942[56 Stat, Ch 619 pg.884 10/21/42]which implemented "withholding" and 1040 Return requirements, stated:

Sec,476"The taxes imposed by this subchapter shall not apply with respect to any taxable year after the date of cession of hostilities in the present War [w.w.II]

On May 29, 1944 [58 Statutes at Large,Chap 210 Sec.6[a] Repeal of Victory Tax pg234]the Victory Tax and its provisions for "Withholding" were repealed! With the

repeal of the Victory Tax Act the individual income tax became voluntary.

"Our tax system is based upon voluntary assessment and payment and NOT upon distraint." Supreme Court ruling of Flora v. U.S. 362 U.S.145

"Voluntary", according to Webster means: 1]given freely without compulsion, 2]having the power of free choice." I have exercised my power of free choice and have chosen NOT to volunteer. The Government may not force me to comply by distraint or by threat of distraint, for having made such a free choice. Further, because, non-compliance is one of my options, there is no implementing regulatory authority, within 26 CFR, authorizing the Government to distraint me of my property. All part Sec.301 Regulations are merely cross references, providing distraint authority {ie. jail, levies, liens} to those involved in "revenue taxable activities".

IN SUMMARY:

- A] I am not an "employee" earning "wages" and have no "gross income" as such "terms" are defined in the Internal Revenue Code, the Public Salary Act of 1939, and in Law.
- b] I am exercising no taxable privileges and I earn no income upon which an indirect excise tax may be imposed. The Brushaber court and other supreme Courts have ruled that "taxation on income is in its nature an excise. Flint v

Stone Tracy Co. 220 U.S. 10, ruled "the requirement to pay excise taxes involves the exercise of a privilege." Further the supreme Court Case of Peck v. Lowe, 247 U.S.165, ruled that a tax sustained upon a [natural] person would be a "capitation" tax [subject to apportionment] and not an excise tax.

- c] I am not the "citizen subject to its jurisdiction" as defined in 26 CFR Sec.1-1[c] upon whom the Subtitle A, Sec.1 Graduated Income Tax is imposed.
- b] I did not incur any tax liability last year, pursuant to 26 USC 871[a] or 871[b] and I do not anticipate that I will incur a tax liability from said sections in the future. However; if, I do receive income, subject to taxation, under those sections, in the future, I will file the appropriate U.S. 1040NR Form.
- e] I am not "required" to pay an income tax. I am not "liable for" or "made liable for" the income tax. I am not "subject to" the income tax and I am not required by regulations, to file a 1040 tax return.

Please respond within 30 Days to:

Finley G. Smith
P. O. Box 11962
Zephyr Cove, Nevada
Postal Zone 89448

If you do not feel this is a reasonable period of time, please request an extension in writing. Failure will mean that you have acquiesced to this Affidavit and Supporting Documentation, in its entirety from this date forward, the Doctrine of "estoppel by acquiescence" will prevail.

Any statements or claims in this memorandum, properly rebutted by facts of law, or overriding Article III, shall not prejudice the lawful validity of other claims not properly rebutted or invalidated by facts of law.

I declare under penalty of perjury under the laws of the United States of America that the foregoing, to the best of my knowledge, is true and correct.

Executed at Zephyr Cove Nevada 5-11-95
City State Date

Linley G. Smith
Signature

Paul L. Pipitone
Witness

Rick Hanson
Witness

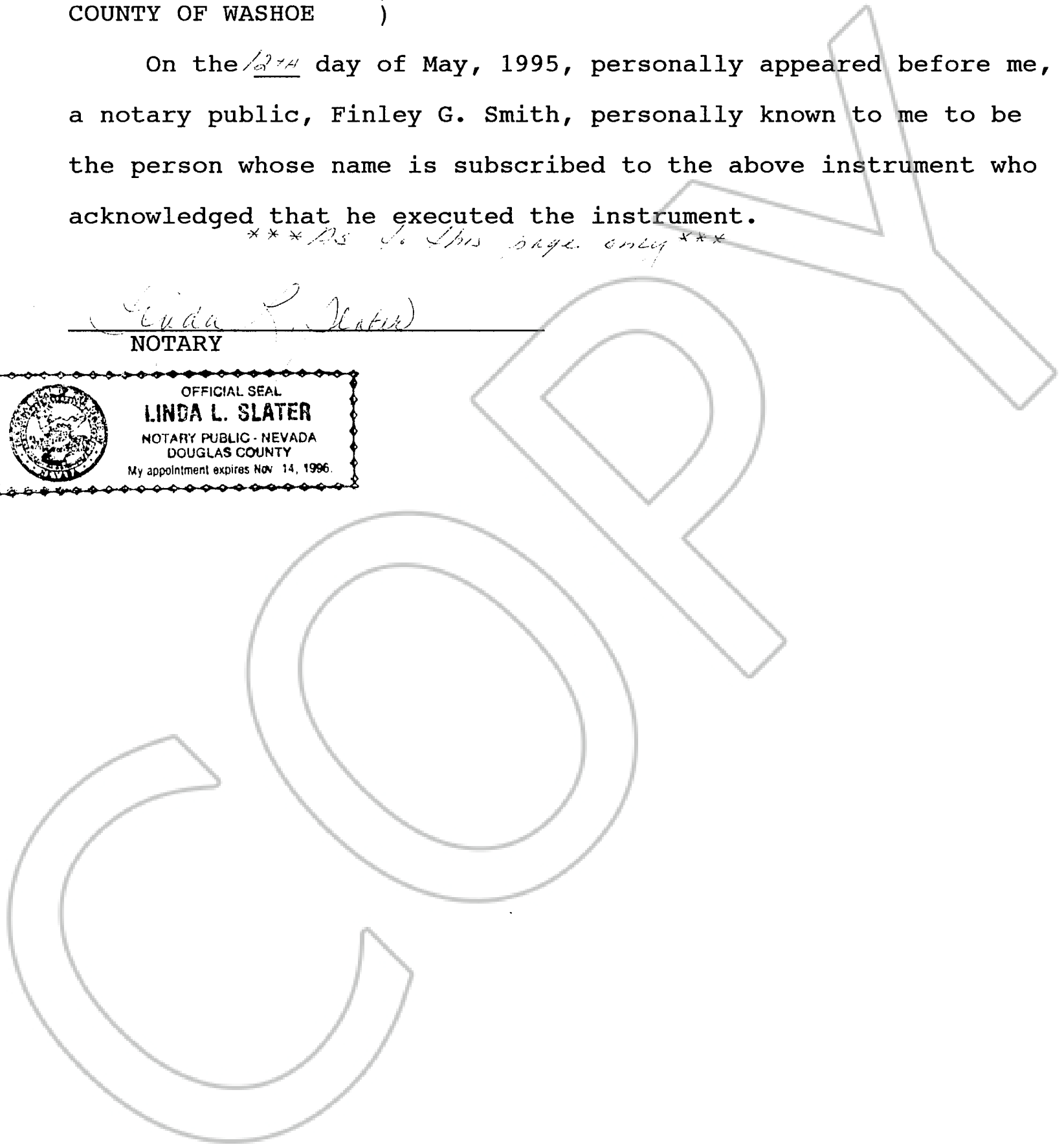
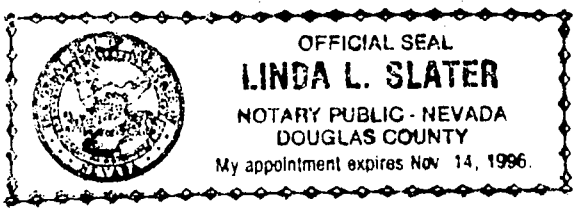
Finley G. Smith
Signature
Finley G. Smith

STATE OF NEVADA)
) ss:
COUNTY OF WASHOE)

On the 12th day of May, 1995, personally appeared before me, a notary public, Finley G. Smith, personally known to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.

****As to this page only****

Linda L. Slater
NOTARY



AFFIDAVIT OF POINTS AND AUTHORITIES SUPPORTING CLAIM ABSOLUTE SOVEREIGNTY IN AMERICA RESIDES IN THE PEOPLE

SUPREMACY: "Sovereign dominion, authority, and pre-eminence; the highest state. In the United States the supremacy resides in the People..." - Bouvier's Law Dictionary

"There is no such thing as a power of inherent Sovereignty in the government of the United States. In this country sovereignty resides in the People, and Congress can exercise no power which they [the sovereign People] have not, by their Constitution entrusted to it: All else is withheld." Julliard v. Greenman, 110 U.S. 421

"Here [in America] sovereignty rests with the People." Chisholm, Ex'r. v. Georgia, 1 L. ed (2 Dall) 415, 472. The words 'People of the United States' and 'Citizens' are synonymous terms, and mean the same thing. They both describe the political body who, according to our republican institutions, form the sovereignty...They are what we familiarly call the 'sovereign people,' and every citizen is one of this people, and a constituent member of the sovereignty..."

Wong Kim Ark, p. 914, quoting Dred Scott v. Sandford, 60 U.S. 393, 19 How. 577.

"In Europe, the executive is synonymous with the sovereign power of a state...where it is too commonly acquired by force or fraud, or both...In America, however the case is widely different. Our government is founded upon compact. Sovereignty was, and is, in the people."

- Gluss v. The Sloop Betsy, 3 Dall 6

"...The People are the fountain of Sovereignty. The whole was originally with them as their own. The state governments are but trustees acting under a derived authority, and had no power to delegate what was not delegated to them. BUT THE PEOPLE, AS THE ORIGINAL FOUNTAIN, MIGHT TAKE AWAY WHAT THEY HAD LENT AND INTRUST TO WHOM THEY PLEASE. THEY HAVE THE WHOLE TITLE AND AS ABSOLUTE PROPRIETORS HAVE THE RIGHT OF USING OR ABUSING. -jus utendi et abutendi.. IT IS A MAXIM CONSECRATED IN PUBLIC LAW AS WELL AS COMMON SENSE AND THE NECESSITY OF THE CASE THAT A SOVEREIGN IS ONLY ANSWERABLE FOR HIS ACTS ONLY TO HIS GOD AND HIS OWN CONSCIENCE...THERE IS NO AUTHORITY ABOVE A SOVEREIGN TO WHICH AN APPEAL CAN BE MADE." Bouvier's 14th Edition Law Dictionary (from 4 Wheat, 402)

SOVEREIGN: (Webster's) 'having independent power...indisputable...being above all others...having dominion, power, authority...rightful status of independence and prerogative...greatest in degree."]

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"It is the doctrine of the common law, that the Sovereign cannot be sued in his own court without his consent." The Siren vs U.S. 74 U.S. 152

"Sovereignty itself is, of course, not subject to law for it is the author and source of law..."

Yick Wo vs Hopkins and Woo Lee vs Hopkins 118 U.S. 356.

"Under our form of government, the legislature is NOT supreme. It is only one of the organs of that ABSOLUTE SOVEREIGNTY which resides in the whole body of the PEOPLE; like other bodies of the government, it can only exercise such powers as have been delegated to it, and when it steps beyond that boundary, its acts...are utterly VOID." - Billings v. Hall 7 CA. 1

"THE SOVEREIGNTY OF THE STATE RESIDES IN THE PEOPLE THEREOF."

California, Title I, Article I, §100

"...While sovereign powers are *delegated* to the agencies of government, sovereignty itself remains with the People, by whom and for whom, all government exists and act."

Yick Wo vs Hopkins and Woo Lee vs Hopkins 118 U.S. 356.

"People of a state are entitled to all rights which formerly belonged to the King by his prerogative. "

Lansing v Smith 21 1. 89

According to the supreme Court, United States v. Lee, 106 U.S. 196, at 208 "*Under our system [in America] the people, who are there [in England] called subjects, are here the sovereign.. Their rights, whether collective or individual, are not bound to give way to a sentiment of loyalty to the person of a monarch. The citizen here [in America] knows no person, however near to those in power, or however powerful himself to whom he need yield the rights which the law secures to him when it is well administered.."*

**MEMORANDUM OF FACTS, POINTS AND AUTHORITIES SUPPORTING CLAIM
SUPPORTING CLAIM THAT I DO NOT OWE MY CITIZENSHIP STATUS
TO THE FOURTEENTH AMENDMENT**

Ellen R. Van Valkenburg v. Albert Brown.— "*No white person born within the limits of the United States and subject to their jurisdiction... owes his status of Citizenship to the recent [14th] amendment to the Federal Constitution. The purpose of the 14th Amendment...was to confer the status of citizenship upon a numerous class of persons domiciled within the limits of the United States who could not be brought within the operation of the naturalization laws..."*

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**MEMORANDUM OF FACTS, POINTS AND AUTHORITIES SUPPORTING CLAIM
THAT RIGHT TO LABOR IS FREE FROM TAX UNDER THE FUNDAMENTAL
LAW AND MAY BE EXCLUDED FROM GROSS INCOME**

"A STATE [OR THE FEDERAL GOVERNMENT] MAY NOT IMPOSE A CHARGE FOR THE ENJOYMENT OF A RIGHT GRANTED BY THE FEDERAL CONSTITUTION." Murdock v Pennsylvania, 319 U.S. 105, at 113.

Treasury Decision, Internal Revenue Vol. 26 No. 3640, p.769 (1924): "Gross income excludes the items of income specifically exempted by statute or fundamental law, free from tax."

Title 26 (1939) Part II, Subtitle B §3.21-1: "Meaning of net income. The tax imposed by Title 26 of the Act is upon income. Neither income exempted by statute or fundamental law, nor expenses incurred in connection therewith, other than interest, enter into the computation of net income..."

Title 26 USCA, §128 IRC: Recovery of unconstitutional federal taxes: "Income (excluding interest) attributable to...a tax imposed by the United States which has been held unconstitutional ...may be excluded from gross income."

"The right to labor and to its protection from unlawful interference is a constitutional as well as a common-law right. Every man has a natural right to the fruits of his own industry." 48 Am.Jur 2d, § 2,

"Citizens under our Constitution and laws mean free inhabitants...Every citizen and freeman is endowed with certain rights and privileges, to enjoy which no written law or statute is required. These are fundamental or natural rights, recognized among all free people...That the right to... accept employment as a laborer for hire as a fundamental right is inherent in every free citizen, and is indisputable..."
United States v. Morris, 125 F. Rept. 325, 331.

"Among these inalienable rights, as proclaimed in the Declaration of Independence is the right of men to pursue their happiness, by which is meant, the right to pursue any lawful business or vocation, in any manner not inconsistent with the equal rights of others, which may increase their prosperity or develop their faculties, so as to give them their highest enjoyment...It has been well said that, THE PROPERTY WHICH EVERY MAN HAS IS HIS OWN LABOR, as it is the original foundation of all other property so it is the most sacred and inviolable..." - Butchers' Union Co. v. Crescent City., 111 U.S. 746, at 756

"Included in the right of personal liberty and the right of private property... is the right to make contracts for the acquisition of property. Chief among such contracts is that of employment, by which labor and other services are exchanged for money and other forms of property." Coppage v. Kansas, 236 U.S., 1, at 14.

"... The term [liberty]...denotes not merely freedom from bodily restraint but also the right of the individual to contract, to engage in any of the common occupations of life...The established doctrine is that this liberty may not be interfered with, under the guise of protecting public interest, by legislative action..." Meyer v. Nebraska, 262 U.S 390, 399, 400.

CONCLUSION: Compensation earned, exercising the Right to Labor is not taxable by the Federal Government, under the fundamental law. It is excluded from "Gross Income" and is exempt from taxation under Title 26, by the authority of Title 26 CFR (1939) §9.22(b)-1.

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**MEMORANDUM OF FACTS, POINTS AND AUTHORITIES
SUPPORTING CLAIM THE INCOME TAX IS AN INDIRECT EXCISE TAX
REQUIRING THE EXERCISE OF A PRIVILEGE**

"The conclusion reached in the Pollock case...recognized the fact that taxation on income was, in its nature, an excise, entitled to be enforced as such." Brushaber v Union Pacific Railroad Co., 240 U.S. 1, 16-17.

"A tax levied upon property **because of its ownership** is a direct tax, whereas one levied upon property because of its **use** is an excise, duty or impost." - Manufactures' Trust Co. vs. U.S., 32 F. Supp. 289

The Supreme Court in Flint v. Stone Tracy Co., 220 U.S. 107, at pg 154, 165 ruled that, "Excises are taxes laid upon the manufacture, sale or consumption of commodities within the country, upon licences to pursue certain [revenue taxable] occupations and upon corporate privileges; the requirement to pay such taxes involves the exercise of a privilege..." Excises are never upon any kind of property, money or otherwise, but **only upon taxable activities** in which the resulting **income** is simply and conveniently used as the **yardstick** by which the tax on the activity is measured. "...Conceding the power of Congress to tax the business activities of private corporations...the tax must be measured by some standard... it is no objection that the measure of taxation is found in the income..."

"A tax laid upon the happening of an event as distinguished from its tangible fruits, is an indirect tax..."
Tyler v. U.S. 497 at pg 502 (1930)

"The terms 'excise tax' and 'privilege tax' are synonymous, the two are often used interchangeably."
American Airways v. Wallace, 57 F.2d 877, 880.

"Neither can the tax be sustained on the [natural] person, measured by income. Such a tax would be, by nature, a capitation rather than an excise." Peck v. Lowe, 247 U.S. 165

26 R.C.L. §132 TAXATION

"A right common in every citizen such as the right to own property or to engage in business of a character not requiring regulation cannot, however, be taxed as a special franchise by first prohibiting its exercise and then permitting its enjoyment upon the payment of a certain sum of money." - Stevens v State 2 Ark., 291. 35 Am. Dec. 72 Spring Val. Water Works v Barber, 99 Cal. 36, 33 Pac. 735, 21 L.R.A. 416. Note: 57 L.R.A. 416

CONCLUSIONS: (1) The Income Tax is constitutional because it is limited to the imposition of indirect taxes. An indirect tax cannot be imposed upon property. Remuneration and compensation for labor are property, upon which an indirect tax cannot be imposed. (2) The income tax is an excise tax requiring the exercise of a privilege. The Right to Labor is an inalienable fundamental Right upon which a "privilege" tax cannot be imposed.

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COPY

REQUESTED BY
Finley C. Smith
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

'95 MAY 12 P2:37

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LINDA SLATER
RECORDER

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\$28.00 PAID *PS* DEPUTY