

See separate instructions  
 Your social security number  
 Spouse's social security number  
 Make sure the SSN(s) entered and on line 6c are correct  
 Presidential Election Campaign  
 Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.  You  Spouse

**Filing Status**  
 Check only one  
 1  Single  
 2  Married filing jointly (even if you are not both citizens or residents of the United States)  
 3  Married filing separately (each spouse must file a separate return)  
 4  Head of household (with qualifying person). (See instructions.) If this residential person is a child but not your dependent, enter the child's name here. ▶  
 5  Qualifying widow(er) with dependent child  
 6  Yourself, if you claim you as a dependent on someone else's return. Do not check box 6a.  
 Boxes checked on 6a and 6b  
 No. of children under age 17 who:  
 • lived with you  
 • did not live with you due to divorce or separation (see instructions)  
 Dependents on 6c not entered above  
 Add numbers on lines above ▶

Total number of exemptions claimed	7	
Wages, salaries, tips, etc. Attach Form(s)	7	
8a Taxable interest. Attach Schedule B if required	8a	
8b Tax-exempt interest. Do not include on line 8a	8b	
9a Ordinary dividends. Attach Schedule B if required	9a	
9b Qualified dividends	9b	
10 Taxable refunds, credits, or overpayments of state and local income taxes		
11 Alimony received	11	
12 Business income or loss. Attach Schedule C or C-EZ	12	
13 Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	
14 Other gains or (losses). Attach Form 4797	14	
15a IRA distributions	15a	15b Taxable amount
16a Pension or annuities	16a	16b Taxable amount
17 Dividend, interest, royalties, partnerships, S corporation, trust, etc. Attach Schedule E	17	
18 Farm income or (loss). Attach Schedule F	18	
19 Unemployment compensation		
20a Social security benefits	20a	20b Taxable amount
21 Other income. List type and amount		
22 Combine the amounts in the far right column for lines 7 through 21. This is your total income ▶	22	

**Adjusted Gross Income**

23 Educator expenses		
24 Certain business expenses of reservists, performing artists, fee-basis government officers, and other individuals. Attach Form 2106 or 2106-EZ	24	
25 Health savings account deduction. Attach Form 8889	25	
26 Moving expenses. Attach Form 3903	26	
27 Deduction for self-employment tax. Attach Schedule SE	27	
28 Self-employed SEP, SIMPLE, and qualified plans	28	
29 Self-employed health insurance deduction	29	
30 Penalty on early withdrawal of savings	30	
31a Alimony paid b Recipient's SSN ▶	31a	
32 IRA deduction	32	
33 Student loan interest deduction	33	
34 Tuition and fees. Attach Form 8879	34	
35 Domestic production activities deduction. Attach Form 8803	35	
36 Add lines 23 through 35	36	
37 Subtract line 36 from line 22. This is your adjusted gross income ▶	37	



*Are the Taxes Paid by Nancy and Marvina Lee Robery*

# TABLE OF CONTENTS

Forward.....	Page 3
Introduction.....	Page 8
Chapter 1 Tax Cheats?.....	Page 11
Chapter 2 Don't Tax Me!.....	Page 13
Chapter 3 Government Established.....	Page 16
Chapter 4 Congress Creates Second U. S. ....	Page 19
Chapter 5 It Doesn't Say That! .....	Page 25
Chapter 6 Congress Gets New Amendment.....	Page 28
Chapter 7 Government Employees.....	Page 32
Chapter 8 Victory Tax.....	Page 35
Chapter 9 Presumption.....	Page 37
Chapter 10 Affidavits.....	Page 40
Chapter 11 Removing Liens & Levies, Audits	Page 48
Conclusion.....	Page 51
List of Court Cases.....	Page 52

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# FORWARD

## HOW THIS INFORMATION WAS GATHERED



Nancy Darlene Robey

Nancy Darlene Robey: I have spent decades studying the law surrounding the income tax, the IRS, the U. S. Department of the Treasury, and the Federal Reserve Banks. The only reason for paying taxes is to support the government. Americans assume that money paid in income taxes goes to the Federal government, and the government then spends this money for the benefit of the taxpayers. I found out that this is totally untrue. NONE of the money paid in Federal income taxes goes to the Federal government. NOT ONE PENNY! In 2017, the Federal government expects Americans to pay \$2.6 trillion in income tax. So where does all of the tax money go? It all goes to privately owned banks! ALL OF IT! How does that happen?



Marvin Lee Robey

My father once took over a corporation and had several employees. I was the accountant and took care of withholding taxes. I noticed that the taxes being withheld were NOT to be sent to the government. Instead, the money was to be sent to the local Federal Reserve Bank, one of the twelve. When people send a check to the IRS for taxes, the check is cashed by the Federal Reserve Bank, not the U. S. Treasury. The back of the canceled check shows this.

A lot of people ASSUME, wrongly, that the Federal Reserve Banks are somehow part of the Federal government. They are not. Although they were chartered by the Federal government in the Federal Reserve Bank Act, they are privately owned, and NOT part of the Federal government.

In 1913, the proposed Aldrich Bill provided for a group of 12 privately owned banks, with a charter giving them exclusive banking rights for the Federal government and the power to issue circulating currency backed by U. S. bonds. The United States government was liable for the bank's currency and therefore its debts. If the banks wildly created unbacked debts it could not pay, the United States was liable for those debts. The public flatly refused this bill.

Woodrow Wilson renamed the Aldrich Bill the "Federal Reserve Bank Act." He implied to the people that the bank was owned by the federal government. The Federal Reserve Bank Act passed with only one congressman reading it. That was Congressman Charles Lindbergh, Sr., who condemned it with all of his power.

Under the terms of the Federal Reserve Bank Act, the government has to put up collateral to cover its loans from the Banks in the form of bonds. Then the government has to pay the Federal Reserve Banks for the interest on the loans AND the bonds! The bonds are the funding of the loans. Based upon these funds, the banks create the money to loan the government. In other words, the Banks loan the government back its own credit at interest. This is a totally fraudulent scheme that creates an increasing debt that eventually (as of 1929) cannot be paid.

The currency, Federal Reserve Notes, are printed for the Federal Reserve Banks by the U. S. Government Printing Office at the cost of printing. Now, the debts to the Federal Reserve have become so huge that all income tax is paid to the Federal Reserve directly. The U. S. government then borrows money from the Federal Reserve to operate.

Congressman Luis T. McFadden, Chairman of the House Banking and Currency Committee for over ten years, gave this speech to Congress on June 10, 1932: 'Mr. Chairman, we have in this country one of the most corrupt institutions the world has ever known. I refer to the Federal Reserve Board and the Federal Reserve Banks, which have cheated the government and the people of the United States out of enough money to pay the national debt several times over. This evil institution has impoverished and ruined the people of the United States and has practically bankrupted our government. It has done this through the defects of the law under which it operates, through the maladministration of that law, by the Federal Reserve

Board, and through the corrupt practices of the moneyed vultures who control it! Some people think the Federal Reserve Banks are United States government institutions. They are not! They are private monopolies which prey upon the people of the United States for the benefit of themselves and their foreign swindlers...'

So, there are three reasons why I don't pay income tax:

The central bank is one of the planks of Karl Marx's Communist Manifesto.

A graduated income tax is another of the planks of Karl Marx's Communist Manifesto. I am not a communist.

Lastly, I choose not to be a slave of the private, central bank, working to pay a fraudulent, unpayable debt while keeping others bound in the same slavery. Through considerable study, I now have a very clear understanding as to why I do not owe the income tax. I have demonstrated this for the last 20 years. No one who claims their citizenship in their republic and makes their living by any occupation of common right owes any income tax, either. I am the legal researcher who compiled the court cases into this book.

Marvin Lee Robey: In 1976 I was prosecuted for failure to file an income tax return for three years. I demanded all of my Constitutional Rights. The judge answered: "Yes, Mr. Robey, you have all of your Constitutional **privileges.**" In the first place, I didn't think there was such a thing as a Constitutional privilege. The Constitution is positive. It either is a Right or nothing at all. Rights and privileges are two very different things.

The IRS brought a special agent in from out of state. In testifying she made the clear statement: "In my opinion Mr. Robey's returns are valid." Yes, she admitted I had filed and the returns were valid. Nevertheless, the jury found me guilty. so I appealed the case.

My appeal went before a three-judge panel of the Ninth Circuit Court of Appeals. Now At the hearing, I received the rare opportunity of questioning the judges. Knowing the Bill of Rights guaranteed me the Right of freedom of speech, I asked if I could be taxed for my speech. The answer came back: "Yes." They took a vote on it and it was unanimous. I asked the Court if I could be taxed for my prayer. The answer came back: "Yes." And again they took a vote on it and again it was unanimous. Knowing that the income tax is an excise tax on a privilege, I then asked

what privilege I was being taxed for. The answer came back: “For the privilege of living and earning a living in the United States.” In my public schooling, I was taught that I had all of my Constitutional Rights. Now, when I tried to use my Rights, I was classed as a criminal for doing so.

My grandmother on my mother’s side was closely related to both Harrison presidents and could remember sitting on President Benjamin Harrison’s lap as a little girl. On my father’s side, I could trace my ancestry back to Hezekiah Robey, who owned a general store and cattle ranch in Virginia before the Revolutionary War. At one time, I held his original record book, leather-bound by him. Now I was being told I did not even have a Right to life itself, that I was being taxed for the privilege of living. Was the Constitution now only history?

The IRS Special Agent assigned to me helped me drastically reduce the amount I owed. The last time I saw him, knowing I had questioned the legality of the income tax, he told me to keep up the “good work” because it was having a good effect in his office.

I literally worked night and day for two years to pay my back taxes. After that I had time to go to the law library and study the court decisions. I read of U. S. Supreme Court rulings in favor of people’s Constitutional Rights. I wondered why they had Constitutional Rights and I didn’t. My daughter Nancy started going with me and proved to have a very good understanding of law. We started reading U. S. Supreme Court cases. They seemed to sometimes conflict with one another or reality. I read some history of the passage of the 14<sup>th</sup> Amendment. We studied how Congress had passed the 14<sup>th</sup> Amendment creating a new citizenship for the freed slaves under territorial law, where the Constitution does not apply. With this I suddenly realized there are two classes of American citizens, not just one. That was the missing piece of the puzzle! But how did we get classified as freed slaves? This took a lot more study in the law library.

Reading the income tax law, Title 26 left us more bewildered than ever, with its confusing listing of “aliens.” “Who are these aliens?” I thought they must be the immigrants. It seems the aliens do NOT owe the tax, but the American citizens do seem to owe the income tax. That does not make sense. The citizens owe the tax but immigrants don’t? With very careful analysis, we finally realized the “aliens” were the solid Constitutional citizens, not the immigrants, and therefore do not owe the tax. But how could I possibly argue this complexity to the IRS? The story from Gulliver’s Travels of the stolen cow came to mind, in which the court wanted to know

everything except the real facts. It took years to settle the case. By that time the cow was dead and the farmer was bankrupt from the legal fees.

Obviously, whoever wrote Title 26 and presented it to Congress was working hard to fool the people into paying taxes they did not owe. News releases were sent out propagating these false concepts to confuse the public even more, such as “Are wages taxable?” “Yes.” (for government employees only).

But how did we wind up under the freed slave law? We studied more and found out the courts are now operating under commercial law instead of the common law. Under commercial law they can and do assume whatever they like. These false assumptions must now be guessed at and repudiated. To establish the truth we must deny all possible assumptions. When dealing with the IRS, they assume what they want even when it is contrary to the obvious. Now we must actively claim what was, for many generations, naturally ours.

To deny my tax liability I decided I could do so by going back to the U. S. Supreme Court decisions and base my arguments directly on them. This has proven much easier than trying to argue the alien issue.

In 1997, I received three 1099's. I first sat down and pondered what the proper action should be. Under the commercial law, I had been presented with the false claims from my customers that I had taxable income. These false claims had been reported to the IRS and so I supposedly owed the income tax. But I knew it was not taxable income. It would do no good to argue the point with my customers, as they would not understand. But I decided to notify them of their error anyway.

I sent a letter to the main customer explaining why it was not income. I gathered the three 1099's and sent them to the IRS along with a copy of the letter to my customer. I did not hear anything from the IRS until the year 2000, three years later. I did not file anything during that time. That is when they sent me a notice of an amount due for the previous year. I sent them another letter explaining that the 1099's were in error for the same reasons as before, and that the money was not taxable income. They didn't accept it this time, but in denying it they told me what was missing from my explanation. I immediately followed their instructions, and they accepted it. I have done the same every year since and I have not heard any more from them.

All the money I receive on 1099's is reported. However, I do not file any tax return for this money. I do file a tax return for the Social Security I receive because

Social Security is a special privilege from government, although it is supposedly my money. It is therefore subject to an excise (income) tax. My deductions more than cover this so I pay nothing.

If I reported the money my customers pay me on a standard tax return, it would become taxable income. There is a simpler, easier way that does not convert the money received into taxable income. That is what this book is about.



# Chapter 1

“The marvel of all history is the patience with which men and women submit to burdens unnecessarily laid upon them by their governments.” William H. Borah

From the beginning of history almost every ruler has tried to get more money and wealth from those he/she has ruled. It is the nature of rulers. The United States of America is the only nation in history established as what our Founding Fathers called a “Republic:” a nation of by and for the people They created the American Constitution to make it permanent and difficult to change. Because one of the main reasons for breaking away from England was oppressive taxation, they added Article I, 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 doing so, they also created a United States Supreme Court, having no gain or loss in the interpretation of the laws, to oversee the Constitutionality of the laws passed by Congress. Our Founding Fathers warned us that Congress would be looking continually for ways to gain more power over the people and especially ways to get more taxing power over the people. The U. S. Supreme Court has continually ruled that this made every income tax over individuals passed by Congress unconstitutional, except under the territorial government, in which they have no Constitutional limitations.

As such, still today, no direct tax (income tax) can be laid on the citizens of the Republic. We may wonder, therefore, why we are paying just such a tax. ***There is no law requiring the citizens of the Republic to pay an income tax for occupations of common right!!*** At the same time, there is no law preventing Congress from passing any tax on 14<sup>th</sup> Amendment citizens that Congress wants to pass because the 14<sup>th</sup> Amendment made its citizens “subject to...”

We are only paying the present income tax by being misled through reading the tax laws in our slang language and no longer knowing how to claim our citizenship in the republic. When we find the true legal definitions used in the tax laws, we find they do not apply to the citizens of the republic. The taxes only apply to special privileges the people have applied for or been given, such as accepting a government job, or turning our hard-earned savings into investments in corporations.

This is commonly done without the people's knowledge or understanding. It is based upon our common slang reading of the law. Claiming your citizenship in our Republic only takes 15 easy minutes after reading *Axe The Taxes*. A few people are actually prosecuted based upon the incriminating documents they have signed, without even knowing what they are being prosecuted for. We help the reader avoid these pitfalls.

*"Axe The Taxes"* uses the Lawful vocabulary of the tax laws in an unusual, but very proper way to report all of one's money received to the IRS without signing any false or incriminating statements.

If you ask the IRS or a Congressman what is taxable and what is not, you will get half-truths, usually based upon our common slang. They want your money. But it's your money. Keep it! The U. S. Supreme Court continually tells us that the tax laws do not say what the IRS tells us they say. Article I, Section 9 is still in effect and protecting us. But you do need to know how to claim it.

I do pay all of the taxes I owe. But I can usually show you why you actually owe no tax or often show you how to handle your money so that you owe no tax. I show you how to get refunds for withholding of money falsely withheld. All of these processes are absolutely legal and absolutely safe, very quick and simple. Although the IRS continually works on half-truths, they do follow the law as established by the U. S. Supreme Court when confronted with it. The U. S. Supreme Court and the other Federal courts are on our side!

## Chapter 2

### DON'T TAX ME!

“The power to tax is the power to destroy,” John Marshall, memorably, for a unanimous U. S. Supreme Court in McCulloch v. Maryland, 17 U.S. 316 (1819)

When our Founding Fathers were debating the issues of our Constitution there was, of course, considerable disagreement. The main problem was how much power to give the government. Many wanted the government to have almost unlimited control, such as England tried to get over the colonies. Most of those men were looking for personal advantage through a powerful government. Others wanted very limited government of the people.

The people of the American colonies had been very free for over a hundred years. Then King George III of England saw the wealth and power among the colonies and decided to tap into it with heavy taxation, including direct taxes. A direct tax is one laid upon a person or property itself, whether the owner has the money to pay the tax or not. The colonists rebelled and the War broke out.

When the colonists had won, they were not about to set up their own government with any more power over themselves than they wanted. Thus, those wanting a powerful government could not get the people's support. Without the people's support, there could be no government.

Those that demanded a strong constitution to protect the common people would not compromise. One of the greatest fears the people had of their new government was a direct tax, since one of the main reasons for breaking away from England was oppressive direct taxes. The colonies had been supported almost entirely by import and export duties and imposts and that is the way they demanded the new government operate. Therefore, Article 1 Section 9 was placed in the Constitution stating: “No Capitation or other direct, Tax shall be laid, unless in Proportion to the Census or Enumeration herein before directed to be taken.”

A direct tax is defined thusly:

“A tax levied upon the 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.

Duties and imposts are import and export taxes laid by the government. They are not going to be discussed in this book. We are focusing on the personal income tax as an excise tax.

“Excises are taxes...upon licenses to pursue certain [regulated] occupations and upon corporate privileges; the requirement to pay such taxes involves the exercise of privilege...” Flint v. Stone Tracy Co., 220 U.S. 107, at pg 154, 165.

“The terms ‘excise tax’ and ‘privilege tax’ are synonymous. The two are often used interchangeably.” American Airways v. Wallace, 57 F. 2d 877, 880.

The income tax is an excise tax on privilege only:

“...Conceding the power of Congress to tax the business activities of private corporations... the tax must be measured by some standard...It is therefore well settled by the decisions of this court that when the sovereign authority has exercised the right to tax a legitimate subject of taxation as an exercise of a franchise or privilege, it is no objection that the measure of taxation is found in the income...” Flint vs. Stone Tracy Co., 220 U.S. 107, at page 154, 165.

In Doyle v. Mitchell Brothers 247 U.S. 330 we find a clear refuting of the contention of Congress and the IRS that all money received is “income.” “... **We must reject...the broad contention submitted in behalf of the Government that all receipts, everything that comes in -are income within the proper definition of the term ‘gross income’...**”

So what is income? The U. S. Supreme Court defines it thusly:

“...it becomes essential to distinguish between what is and what is not ‘income’.., according to truth and substance without regard to form. [Income is] derived from capital - the gain derived from capital, etc. Here we have the essential matter - not gain accruing to capital, not a growth or increment of value in the investment; but a gain, a profit, something of exchangeable value...severed from the capital however invested or employed, and coming in, being “derived,” that is received or drawn by the recipient for his separate use, benefit and disposal - that is the income derived from property. Nothing else answers the description...” Eisner v. Macomber, 252 U. S. 189.

So, income is profit from capital investment. It is most definitely not pay for work done:

“One does not ‘derive income’ by rendering services and charging for them.”  
Edwards v. Keith, 231\_F. 110.

Our founding fathers strongly warned us that Congress would continually try to get more taxes and more control over us. Their prediction has been very accurate and those efforts of Congress have been the greatest downfall of the Constitutional Republic.

# CHAPTER 3

## THE GOVERNMENT ESTABLISHED

### BY OUR FOUNDING FATHERS

“Neither consent nor submission by the States can enlarge the powers of Congress. The sovereignty essential to the proper functioning of a State under the Constitution cannot be surrendered, nor can it be taken away by any form of legislation.” Ashton v. Cameron County Water Imp. Dist. No. 1, 298 U.S. 513 (1936)

The Continental Congress had borrowed two million dollars from King Louis XVI of France to fight the Revolutionary War. It was due after seven years, but the Continental Congress stopped making payments on the interest in 1785 and defaulted on further installments that were due in 1787. It became obvious nothing would be paid on it. King Louis XVI of France sold the unpaid loan to King George III of England. Payment was now demanded. Few of the other War debts had been paid. Veterans of the War had still not been paid, were losing their farms and becoming violent. Something had to be done. The Constitutional Convention was called to establish a government that could pay its bills. If the loan now owned by King George III was not paid, the cease fire with England would have ended and the War resumed - with an undesirable outcome.

To get the people to accept the new government, the authors of the Constitution had to agree to including the Bill of Rights. This was an afterthought the drafters of the Constitution finally realized was necessary to get the people to agree to their Constitution.

The members of the Constitutional Convention had to set up some form of government the people would want. The people would agree to almost no new taxes. The Revolutionary War broke out largely over King George III and Parliament placing oppressive taxes on the Colonists. The Americans argued that they fought their own wars with the Indians when necessary. The colonists maintained their own law and order and all of the colonies had adopted the Common Law of England. The people were entirely free to do anything they wanted unless they stepped on the rights of another. A person's honor was part of their religion in most cases and a man's

word was his bond. There were not many disputes and the people had the Common Law courts to settle these few disputes.

The people further demanded that protection from taxing powers had to be made permanent, along with all of the other provisions of the Bill of Rights. Thus, at the demand of the people, those who supported a government for the people, like Thomas Jefferson, James Monroe, and Benjamin Franklin largely took control of the forming of the Constitution. In addition to creating a Constitution to satisfy the people, they created a U. S. Supreme Court to protect it permanently. The U. S. Supreme Court was established as the enforcer of the Constitution and the protector of the people and still is. The result was the Constitution of the United States of America, after the Bill of Rights was added as the first Ten Amendments.

## **THE AWESOME POWER OF THE CONSTITUTION**

There is one very important clause of taxing power in the new government in 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.” This was intended to prevent oppressive taxation.

The taxes to support the new government were to come largely from import and export duties. The expenses of government were to be minimal. Congressmen and other government officials had to be paid. A minimum navy was needed to protect shipping and an agency was needed to collect the import and export duties.

The people were to be sovereign over the states, and the states were to be sovereign over the Federal Government. There were a few crimes against the government, such as counterfeiting, destruction of government property, piracy, treason, etc. and the few issues of the states specifically mentioned in the Constitution. “...While sovereign *powers* are *delegated* to the agencies of governments, **sovereignty itself** remains with the People, by whom and for whom, all government exists and acts.” U. S. Supreme Court ruling in “**Yick Wo vs Hopkins and Woo Lee vs Hopkins** 118 U.S. 356.

The predictions of our Founding Fathers that the government would at times make a dedicated effort to gain more power and more taxes has been proven to be accurate several times in history, and certainly not always because they needed more money. With only the Constitutional taxing powers the government paid off its debt to King George III and has stood up to all emergencies with very few short

exceptions. The U. S. Supreme Court has stood firm to the Constitution. The original taxing power has proven sufficient.

Eventually, Congress finally did find a way around the original Constitutional limitations. It took the Civil War and considerable manipulation and pressures on the States to do so. Even so, the only thing giving them more taxes and more power has been by keeping the people in confusion as to who we are and what the government is.

Fortunately, we can, through the Constitution, as individuals, reclaim our original freedom and power - if we understand how Congress has manipulated us. It is very easy once you understand how they are doing everything they can to get us to pay taxes that we do not owe. And they do it with our own genuine signed confessions!

Didn't know you were signing false statements under penalty of perjury creating your own tax liability? Read on! We are our own worst enemy!

### **SOME FUNDAMENTAL RIGHTS SECURED BY THE U. S. SUPREME COURT THAT THE IRS IS BYPASSING**

“Waivers of Constitutional rights not only must be voluntary; they must be knowingly intelligent acts done with sufficient awareness of relevant circumstances and consequences.” Brady v. U.S. 397 U.S. 742 at 748

“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.

“Every man has a 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 U.S. 66, 120.

“Among these unalienable 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, 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...* to hinder his employing... in what manner he thinks proper, without injury to his neighbor, is a *plain violation of the most sacred property.*” Butchers Union Co. v. Crescent City Co., 111 U.S. 746-757.



“...Reasonable compensation for labor or services rendered is not profit...”  
Lauredale Cemetary Assc. vs. Matthews, 47 Atlantic 2d. 277.

“...Congress has taxed income [profits and gains] not compensation” Conner v. U. S., 303 F. Supp., 1187.

“One does not ‘derive income’ by rendering services and charging for them.”  
Edwards v. Keith, 231 F. 110.

Thus, compensation (pay for work done) is NOT income and is NOT taxable.