

“. . . that I should bear witness unto the truth.” — John 18:33 // David E. Robinson, Publisher

“. . . if the trumpet give an uncertain sound, who shall prepare himself for battle?” — I Corinthians 14:8 — 10/20/12

Supreme Court Dockets Income Tax Challenge

A Colorado man's challenge to the IRS says that wages don't count.

The government calls those who argue that the income tax has no legal foundation, “tax protesters” and labels their arguments “frivolous.” And usually judges toss their arguments out of court, and assess them court costs on top of taxes, interest and penalties; and sometimes even threaten them if they file further cases.

But now the U.S. Supreme Court — the nine judges who sit on the bench in Washington by virtue of their selection by presidents and confirmation by the U.S. Senate — has docketed exactly that type of case. (also page 3)

No. 12-6169

Jeffrey Thomas Maehr, Petitioner
v.
Commission of Internal Revenue

Docketed: September 11, 2012

The results? Who knows, considering the radical arguments offered by the *pro se* plaintiff, Jeffrey Thomas Maehr, a Colorado chiropractor who has been involved in a number of business ventures, including PureHealthSystems.

Among Maehr's contentions is that while the government has the legal authority to tax, the Internal Revenue Service has used “unlawful, unconstitutional, unfair and biased” manipulations to assess income taxes on that which is not income – essentially salaries and wages.

Basing his argument on 10 years' worth of research into tax law, he concludes that salaries and wages are the result of the mutual agreement among participants to **exchange labor for money** – and that's not income.

Income, he said, is the **increased**



value of an asset, such as interest on money in a bank account, which can be subjected to income tax.

He says his arguments repeatedly have been tossed from courthouses — in his case, nine times over the years — and he's anxious to see what the Supreme Court justices may decide.

In his petition to the court, he said, *“The gravity of these fundamental law questions have never been properly adjudicated, and the evidence available in fact proves without a doubt that the taxation scheme that is being implemented against the petitioner, and all Americans, is fundamentally and profoundly unlawful, unconstitutional, unfair and biased, and is evidence of ongoing, willful, deliberate, and unconscionable fraud.”*

WND contacted the office of the U.S. Solicitor General, listed on the Supreme Court website as the defense counsel for the IRS, **and office staff who answered the phone refused to comment.** WND was transferred to an office for the U.S. attorney general, **where officials also declined to comment.**

Maehr says information about the case is at the Foundation for Truth in Law: <http://www.foundationfortruthinlaw.org/>

Officials with the Supreme Court said that while the case has been docketed, and a response from the IRS already has been scheduled, the justices still must hold a conference on the case to determine whether, in fact, they will review the arguments.

Maehr wrote in his petition for judicial review that he's been the victim of administrative bludgeoning used by the IRS to quell citizens with objections as well as questions.

“Petitioner was denied due process, over and over again. Petitioner's evidence was dismissed without consideration. Petitioner was unlawfully assessed outside lawful means. Petitioner's evidence that ‘income’ is not wages or payment for labor is clearly supported by court precedent. Petition was mistreated, and the courts unlawfully ruled without regard to respondent's standing to be acting against him,” he said.

“Respondent is taxing outside clear constitutional parameters, presumptively labeling he, and all Americans as ‘taxpayers,’ apart from any mechanism of law. Respondent is wantonly promoting the mandatory filing of the 1040 form which is clearly in violation of the Paperwork Reduction Act. Respondent has not produced the law with the IR Code which makes petitioner or any American ‘personally’ liable for filing the 1040 form, let alone other ‘requirements.’”

A copy of a ruling from the 10th U.S. Circuit Court of Appeals in Denver, before judges Michael Murphy, Bobby Baldock and Harris Hartz, was included in Maehr's filing. It appears to support Maehr's argument, because the judges, **without responding to his questions and challenges to the constitutionality of the issue**, labeled the claims “frivolous”

and claimed Maehr's petition "contains no valid challenges."

Maehr's arguments cite a wide range of historical court and congressional statements regarding taxes. For example, Blacks Law Dictionary calls income tax "a tax on the **yearly profits** arising from property, professions, trades and offices."

Maehr argues that **wages are not "profits"**; they are simply the result of **an exchange of labor for money**. Pointing out that businesses routinely pay taxes on "profits," he noted taxes are not assessed on the expenses of the business.

Simply, the labor of an individual is the "**expense**" required to obtain the money, **so it is not "profit."** To determine otherwise would be to subject corporations such as Wal-Mart to "income taxes" on 100 percent of their cash register receipts, he argues.

The court itself said an 1883 case, "**It has been well said that, the property which every man has in his own labor, as it is the original foundation of all other property, so it is the most sacred and inviolable.**"

In 1969, the court ruled: "Whatever may constitute income, therefore, must have **the essential feature of gain** to the recipient. This was true when the 16th amendment became effective. ... **No gain; no income.** ... "Income is not synonymous with receipts."

And a 1946 case stated, "**Reasonable compensation for labor or services rendered is not profit.**"

"The elements of this case involve respondent/IRS administrative functions being implemented under color of law," Maehr wrote. *"In 2003, petitioner began requesting answers to constitutional questions regarding respondent's positions in application of its taxation process, but which, since 2003, have been completely ignored and labeled as 'frivolous' and he was told that if he wanted any answers, it would have to be found 'in the courts.'*

"The essential, foundational, original intent of Congress regarding 'income'

taxation and tax authority has been slowly perverted over the decades with actions under color of law," Maehr continued. *"The original intent was known long ago, and supported by this honorable court, but which have been twisted to mean something completely different today. Despite the quoted cases by respondent in response to petition, claiming arguments were only 'frivolous,' none of these cited court cases have ever had evidence in fact entered into the record, or presented as evidence to refute petitioner's, or anyone else's, lawful challenges to 'prove' them 'frivolous' outside hearsay and presumption."*

Among the specific questions raised: **Is income tax a direct tax or an indirect tax? What defined "income" when the income tax was adopted? What is the constitutional status of the IRS, and when do the IRS administrative procedures violate due process?**

*"The logical question to ask is, if petitioner [the Plaintiff] is violating any laws ... why is he NOT charged with criminal actions? Why is respondent [the IRS] taking the circuitous route using 'administrative' ploys, summons, and alleged 'deficiency' notices? The answer is **because it has deceived the courts, and knows it has accomplices in committing this easy fraud using them, and it knows it cannot bring criminal charges against petition due to the record created by petition proving no such 'failure' would stand up in court, but would expose the 'income' taxation scam.**"*

The Supreme Court said that the government's response is due Oct. 11.

Maehr told WND that the IRS bases its existence on the "premise that the 16th Amendment allows direct unapportioned taxes on people, which it does not."

The fight is over the fact that when one individual exchanges a \$10 bill for two \$5 bills from another person, there is no "profit." Substituting labor for either side of that agreement also does not create "profit," he said.

It's actually not the first time the challenge has been in court. WND

reported in 2007 when the Internal Revenue Service lost a lawyer's challenge in front of a jury to prove a constitutional foundation for the nation's income tax.

At the time, lawyer Tom Cryer told WND after a jury acquitted him of two criminal tax counts that "**the IRS is a fraud, backed up by intimidation and extortion and by the sheer force of taking peoples property and hard-earned money without any lawful authorization whatsoever.**"

Cryer, who has since died, told WND that the simple truth is that income is not necessarily any money that comes to a person. **Income is rather a category such as profit and interest.**

He said the free exchange of labor for compensation has been upheld as a right by the Supreme Court, but that doesn't necessarily make the compensation income.

He said at the time if ever such an argument were to be presented widely, there could be huge changes required in the way the federal government operates.

"The Founding Fathers intentionally restricted the taxing powers of the new federal government as a measure of restraint on its size. By exceeding that limited taxing authority the federal government has been able to obtain resources beyond its intended reach, and that money has enabled the federal government to exceed its authority," he said.

The jury in U.S. District Court in Louisiana **voted 12-0 finding Cryer, of Shreveport, not guilty of failure to file income taxes for two years.** He had been indicted in 2006 on charges of failing to pay \$73,000 to the IRS in 2000 and 2001.

At the time, spokesman Robert Marvin in Washington's IRS office told WND that the Internal Revenue Code provides for taxation on salaries or wages, but when pressed for a specific citation or constitutional provision, he said, "**I can't comment.**"

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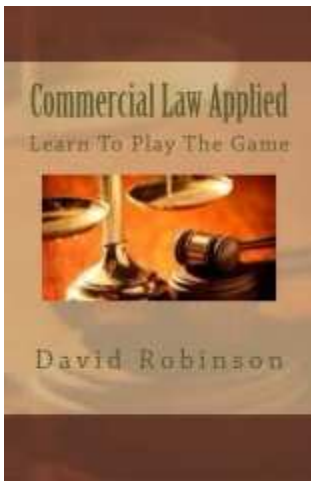
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No. 12-6169
Title: [Jeffrey Thomas Maehr, Petitioner](#)
[v.](#)
[Commissioner of Internal Revenue](#)

Docketed: September 11, 2012
Lower Ct: United States Court of Appeals for the Tenth Circuit
Case Nos.: (11-9019)
Decision Date: May 17, 2012
Rehearing Denied: June 8, 2012

-----Date-----Proceedings and Orders-----
Sep 6 2012 Petition for a writ of certiorari and motion for leave to proceed in forma pauperis filed. (Response due October 11, 2012)

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