

Towards a better understanding of a taxing situation...

We discovered a solution to some taxes in the United States of America.

This solution is the direct result of understanding what “The Social Security Administration” (SSA) is and what it does.

What it is:

It is a sub-part of the corporation known as, “The United States Government.” Congress formed The United States Government as a Corporation in an Act called, “The District of Columbia Organic Act of 1871.” That means we are not talking about the national government of the United States of America. We are talking about the private corporation named, “The United States Government” (Corp U.S.). It is also known as the “UNITED STATES” and “US”

What it does:

When, for whatever reason, a person determines that they want a Social Security Account (SSA), they make an application to the Social Security Administration (SSA) for such an account. The SSA then creates a trust [trust. A right of property, real or personal, held by one party for the benefit of another. As found in Black’s Law Dictionary, Fifth Edition, page 1352.] and makes an account for that trust in SSA’s General Trust Fund. That account number is known as the “Social Security Number” (SSN). They [the SSA] make the applicant the trustee, AND, they name the trust with a title that sounds like the trustee’s name, but is spelled in all CAPITAL LETTERS. In other words, at your request, the trust SSA creates for you is given an account number in the General Trust Fund and [it] becomes a ‘taxpayer’ in the District of Columbia (Washington D.C.). It abides [is, or exists,] in the District of Columbia from the date it was created - forever! Even though you [the applicant] may reside elsewhere, when you [the applicant] act as trustee to that trust you act there – there as in Washington D.C.

Notice, when people are born, their parents give them names, which names are proper nouns (proper nouns are spelled with the initial [first] letter of each word capitalized, the remaining letters lower case). The trust that the SSA creates is given a name. A name which name sounds [*idem sonans* Sounding the same or alike; having the same sound. As found in Black’s Law Dictionary, Fifth

Edition, page 670.] just like the applicant's name, except that it is spelled with all CAPITAL LETTERS. That name is a title – a title to a trust. When anyone uses that title, they are using the name of the trust. John Doe, man / JOHN DOE trust.

Think about it! When a person goes in to get a job with a company, which person is applying for the job, the trust or the man? If it is the trust, then when the trust is paid for its services, the pay will be made in the trust's name and/or SSN. If it is the man, then when the man is paid for his services, the pay will be made in the name of the man and the SSN will not be used. Look at the check! Is it in the trust's name [and/or relating SSN] or is it only in the man's name?

When a man opens a bank account, does he open it in the name of the trust or does he open the account in his own name? When he buys a house or gets a loan does he use the trust's name [and/or relating SSN] or his own name only? The answer is, if he used the trust's name [and/or relating SSN], it is the trust that opens the bank account or buys the house.

Notice where the action takes place. Though the [natural man] trustee may live, or reside, in some other location, the trust exists in Washington, D.C. Therefore, the action takes place in Washington, D.C. the trust's "situs." [*situs*. Lat. Situation; location. As found in Black's Law Dictionary, Fifth Edition, page 1244.] In other words, Washington, D.C., is the place where the trust's legal or taxing actions take place. When the trust acts, it acts in Washington, D.C., only -- regardless of where the trustee is when the action takes place.

Now, ask yourself two questions: First, Are you a federal employee? and second, When you perform an action for someone, do you expect to be paid for it? Remember your answers. They are the keys to unraveling the tax questions presented by most protesting taxes and the solutions given by the Internal Revenue Service (IRS.)

When taxed, we must remember that the person [person. In general usage, a human being (i.e. natural person), though by statute term may include a firm, labor organizations, partnerships, associations, corporations, legal representatives, trustees, trustees in bankruptcy, or receivers. As found in Black's Law Dictionary, Fifth Edition, page 1028.] being taxed is the person employed in the tax jurisdiction. We asked the

question before, Who was employed? If the person employed was the trust, then the proper IRS form to file is, Form 1041. If the person that was employed was a flesh and blood man or woman, then the IRS says the proper form to file is Form 1040.

However, if you look at the OMB (Office of Management and Budget) number in the top right hand corner of the IRS forms, you will find a number required by the Paper Reduction Act. That number is required to be cross-referenced to the code section that necessitates the use of the form and that has been OMB authorized for such use. The cross-reference index shows the Form 1040 is allowed to be used in accordance with a code section within Title 26 § [section] 31, which section only applies to federal employees. That means that only federal employees can use Form 1040. Therefore, if you use Form 1040, you are claiming [under penalty of perjury] to be a federal employee. If you are not a federal employee and you use Form 1040, you are lying to the IRS, which is a crime according to U.S. Criminal Code.

What happens is, when people act as trustee of a trust they are protected by the corporation sole nature of the position trustee. However, when a trustee begins to receive benefits from the trust, outside of the trustee's fiduciary fees, the trustee creates a general partnership with the trust. General partners are equally, collectively and severably liable for the obligations of all of the other general partners within a partnership.

Taxable:

Now, let's put it all together! SSA created a trust with a SSN and if that trust was employed it would constitute a federal employee, not because Corp. U.S. is the employer, but because of who the trust's creator is. If you are a general partner with a federal employee, then you are equally, collectively and severably liable for their obligations. When you buy groceries with funds from the SSN trust, it appears that you are a general partner with the trust. If you sign documents for the trust, and you do not designate that you are acting as the trustee (i.e. your hand *signature*, TTEE), then you have created a general partnership with the trust. Therefore, when the trust owes a mandatory tax - so do its general partners. IRS has no authority to deal with flesh and blood men and women other than federal employees (Form 1040) and Non-Resident Aliens or U.S. citizens that owe a tax in Puerto Rico (Form 2555). If you have created a general

partnership with the trust, then you owe any taxes the trust is liable for just as much as the trust does and you are just as much a federal employee as the trust is. Therefore, a proper form to file would be a Form 1040.

Tax Free:

What if the trust was to file its own taxes? Even if you had a general partnership, any tax obligation would have already been met and there would be no tax obligation remaining for the [general] partner. The proper form for a partnership to file is a Form 1041. About all there is to calculating a Form 1041 is that you take the funds that were in the trust's accounts at the beginning of the year and you subtract them from the funds in them at the end of the year and the result is the net gain or loss. Then you subtract the net gain or loss from the year's increase, which give you the amount spent by the trust.

Now, back to the questions we asked, are you a federal employee? Answer? NO! Then a Form 1040 is the wrong form to file. When you perform an action for someone, do you expect to be paid for it? Answer? YES! Then, ask yourself, what was your wage? I expect that your wage will have been an all expense paid wage. Now, go back to the amount spent by the trust and notice that all of the funds spent by the trust were spent on the trustee. Remember back to the time when you got the jobs you performed for the trust? Did you not plan on using the funds you generated from the trust to meet all of your expenses? Then, notice that the funds spent by the trust were all your wages! That means the amount spent by the trust goes on the Form 1041 at the line designated for Fiduciary Fees. If you calculate the form, you will likely notice that there are no taxes owed by the trust. That means that even if there were a general partnership between the trust and the trustee, there is no tax obligation for the [general] partner!

The only real problem left now is that most of the people, and the computer at IRS think you owe a tax. That's because when SSA creates the trusts, they do it constructively (without an indenture) according to statute. We solve that problem by creating a proper indenture and by then sending that indenture to SSA.

“Constructive Trust”

“A trust raised by construction of law, or arising by operation of law, as distinguished from an express trust. Wherever the circumstances of a transaction are such that the person who takes the legal estate in property cannot also enjoy the beneficial interest without necessarily violating some established principle of equity, *the court will immediately raise a constructive trust*, and fasten it upon the conscience of the legal owner, so as to convert him into a trustee for the parties who in equity are entitled to the beneficial enjoyment.”

“Constructive trusts” do not arise by agreement or from intention, but by operation of law, and fraud, active or constructive, is their essential element. Actual fraud is not necessary, but *such a trust will arise whenever circumstances under which property was acquired made it inequitable that it should be retained by him who holds the legal title*. Constructive trusts have been said to arise through the application of the doctrine that equity regards and treats as done what in good conscience ought to be done, and such trusts are also known as “trusts ex maleficio” or “ex delicto” or “involuntary trusts” and their forms and varieties are practically without limit, *being raised by courts of equity whenever it becomes necessary to prevent a failure of justice*. Union Guardian Trust Co. v. Emery, 292 Mich. 394, 290 N.W. 841, 845. **Black’s 6th Ed.**

“Trust”

“A legal entity created by a grantor for the benefit of designated beneficiaries...the trustee holds a fiduciary responsibility to manage the trust’s corpus assets and income for the economic benefit of all of the beneficiaries.”

“Essential elements of trust are designated beneficiary and trustee, fund sufficiently identified to enable title to pass to trustee, and actual delivery to trustee with intention of passing title.” City Bank Farmers’ Trust Co. v. Charity Organization Soc. Of City of New York. 238 App. Div. 720, 265 N.Y.S. 267. **Black’s, 6th Ed.**

“Trust Indenture”

“The document which contains the terms and conditions which govern the conduct of the trustee and the rights of the beneficiaries. Commonly used when a corporation floats bonds.” **Black’s, 6th Ed.**

Trust Indenture Act

“Federal Act (1939) designed to protect investors in certain types of bonds by requiring that the trust indenture be approved by the SEC and include certain protective clauses and exclude certain exculpatory clauses, and that trustees be independent of the issuing company. 15 U.S.C.A. § 77 aaa et. seq.”

Note: All emphasis added.