

A Hundred Years of *Hypnosis!*

Why do we have income taxes, the most un-American tax we could have? Because Woodrow Wilson said so 100 years ago! He was President of Princeton University, then Governor of New Jersey, and finally in 1913 President of the United States until 1921. The income tax was his signature accomplishment. With its control over our citizens, it was intended to be the preamble to widespread government intervention in our lives that were formerly free before Wilson.

However, toward the end of his second term, he became ill, and his authoritarian agenda stalled. But his socialist stalwarts who were left behind continued to clamor for more government intrusion into our lives with more freedom taken from our lives for decade after decade until a century had eclipsed the success instilled stamina of our citizens as their individual incentives were erosively eaten away. It was as if Wilson had cast a severe socialist spell of hardened hypothecated hypnosis over our citizens or at least a substantial segment of our people who are still pushing for more government takeovers and direct government intervention

But why could no one break the spell and answer for us who are born free and who aspire to stay free? It is because Wilson and his friends re-defined and used words in a manner opposite to their usual meaning so our logical reasoning process was disrupted, and his hypnosis has continued to hold us hostage.

Wilson said we must have an income tax so rich people will pay more taxes than poor people. But rich people always pay more taxes anyway because they own more property and pay more real estate taxes; and they have more money and spend more money, paying more sales taxes. Rich people also have accountants, tax lawyers and tax havens around the world, so the income tax is the least effective type of tax to collect from rich people to any substantial extent while ordinary toiling taxpayers are oppressed and suppressed by income taxes. The more they make, the greater the government take, pushing them back down the economic ladder instead

of propelling them upward toward success with the momentum of their own hard-earned money at no cost to other taxpayers.

Yet the seductive spell persists with the subjects of government paralyzed and prevented psychologically from participating in their own liberation. They are apparently unable to speak a word against the pagan Marxist/socialist philosophy of the income tax that tries to play God at our expense because Wilson said it is a “progressive” tax. Actually, it is “regressive” because it pushes real people backward economically instead of forward, but Wilson reversed the use of these two words to confuse our reasoning process so we would be held hostage to his spell while we involuntarily participate in an irreversible downward spiral away from our birthright of freedom and prosperity.

The income tax has nothing to do with progress or anything really progressive. It is a massive disincentive to work and maximum productivity. It increasingly penalizes individuals as they become more successful and more productive. Individuals begin to ask, “Why should I make more money, I just pay more taxes.” Non-productive activities not involving work become more alluring as individuals settle for no more than average success at best where the counterweight of the income tax is not so great.

The income tax attacks and contradicts the core of America’s foundations as a land of unfettered opportunity where we should promote success rather than penalize it. The income tax takes us in the wrong direction away from greater success toward Marxist/socialist stagnation where we can only dream of our earlier historic opportunities. What is not already gone is rapidly vanishing as we watch in our hypnotic hibernation.

Snap your fingers, and wake up America!! The evil income tax spell is broken. The wicked wizard Wilson is gone. He can no longer hold you or your dreams hostage.

It is *not too late for America*, the errant hypnotized sleepwalker to awaken from a century of sleep and return to a bright sunshiny daylight abode where freedom lives. Those who live in freedom feed upon the fruits of their own labors and have enough to share voluntarily with others, shattering the shackles of coerced socialism with its spellbinding incantations of income tax immortality.

Wilson, the wicked wizard of the west, is dead for almost a hundred years now. We are completely free to choose freedom of choice and success, but we must act together to restore the individual incentives of free enterprise with reformed taxes and regulations to respect and encourage productivity and our freedom to succeed to the fullest extent possible through our own work.

I salute American workers as we celebrate Labor Day. Let freedom ring!!

Capt. Bob, On Guard for You

Labor Day, September 2, 2013

Abolishing the Internal Revenue Service

As more abuses are publicized, there is growing support to abolish the Internal Revenue Service. Previous attempts to reform the practices and procedures of the Internal Revenue Service have apparently failed or have not been fully effective.

However, is it really the fault of the Internal Revenue Service that includes many dedicated men and women who work there, or is it the type of job they are asked to perform by a government that is supposedly based upon individual freedoms and rights? As long as there is an ultra intrusive income tax that tramples on our Constitution and its Bill of Rights, some type of over-reaching abusive agency will be needed to enforce such an anti-American system of over-bearing and counter-productive taxation.

The income tax needs to be eliminated and replaced by a national sales tax. Then the Internal Revenue Service could be re-shaped into an Interstate Tax Service, no longer interfering intensively with individuals and businesses but rather focusing on dealing with the states' departments of revenue who would be collecting the national sales tax on a cooperative basis for the Federal Government. After the income tax is gone, the national Interstate Tax Service would collect other types of taxes for the Federal Government but would not duplicate or add another complete layer of administration to the sales tax collection efforts of the states. Instead, the Interstate Tax Service would "piggy back" on the collection activities of the states, providing some additional revenue to the states for their collection work while saving a tremendous amount of money for the Federal Government. The net revenue after adjusting for the cost of collection would be much more with a national sales tax than it is with the income tax system that extensively invades every home and business in America with elaborate, over-powering and very costly tactics.

Why must the income tax be eliminated in order to restore our constitutional freedoms and rights? The 16th Amendment does not explicitly overrule other prior provisions of the United States Constitution and its Bill of Rights. It merely gives Congress the authority to enact an income tax, leaving it up to Congress to specify what is "income" and how it will be taxed and collected. However, experience over the past 100 years has shown that extensive abuses are inevitable with income taxes.

Income taxes involve a massive invasion of privacy, requiring individuals and businesses to keep records they would otherwise not need. Working on income tax matters becomes a type of involuntary servitude, and the cost of compliance is a huge hidden tax in addition to the income tax itself. Also, income taxes violate the principles of the Bill of Rights in multiple areas.

First, exercising the right of free speech under the First Amendment can cause the loss of tax exempt status if an unknown I.R.S. agent concealed behind a shroud of secrecy decides the free speech and related activities are too “political” even though our government is supposed to be based upon robust participation by citizens.

Next, the income tax is criminalized so that failure to file tax returns and filing tax returns incorrectly are crimes. Then the protection of the Fourth Amendment against unreasonable searches and seizures is stripped away, so toiling taxpayers do not have the constitutional protections afforded to ordinary criminals and other citizens under the Bill of Rights.

Under the income tax system, taxpayers are required to provide evidence against themselves! So say goodbye to the Fifth Amendment protection against self-incrimination for ordinary taxpayers. A rogue I.R.S. revenue agent can take the Fifth Amendment in a congressional investigative hearing to avoid accountability for abusive tax enforcement schemes, but an ordinary taxpayer cannot claim Fifth Amendment guarantees concerning income tax matters.

The Eighth Amendment of the Bill of Rights prohibits excessive fines and cruel and unusual punishment. The income tax system does more than collect interest on unpaid taxes. It employs a myriad of penalties that amount to excessive fines imposed without any adjudication and without facing the accuser as guaranteed by the Sixth Amendment of the Bill of Rights. Again it is an anonymous administrative action by an unknown I.R.S. agent. To an ordinary taxpayer with a tax problem, it is cruel and unusual punishment to be terrorized by the full weight of the federal government through the income tax system using liens, levies, penalties and intimidation. Many taxpayers who are entitled to relief do not know how to thread their way through the bureaucratic labyrinth of the income tax system. They may give up or because of fear pay amounts they do not owe.

Why are we doing this to ourselves in “the land of the free and the home of the brave”?

This is self-inflicted suffering and immense inconvenience that serves no constructive or productive purpose. The payment of federal taxes to fund essential services can be accomplished incidentally to our regular activities through a national sales tax in cooperation with the states. There is no need to continue to endure the torture of the income tax system. Restore all of our individual rights and freedoms. Restore our industries to competitive status with other nations.

Declare April 15 to be a national holiday, Family Day! Spend time with our families on April 15 that was wasted for the past 100 years serving the income tax system when we could have been living unfettered and free from the immense intrusion and interference produced by the unnecessary, ill-advised and counter-productive income tax system.

To Be Continued.

Capt. Bob, On Guard for You

Ending 100 Years of Income Taxes

The Federal Income Tax is “penny-wise and pound foolish”, producing relatively limited revenues at the expense of greater tax revenues, greater prosperity and greater ability to compete successfully with other nations.

Every attempt at true tax reform and an effective tax swap eliminating the Federal Income Tax and replacing it with offsetting sales tax revenues is met with a chorus of special interests opposition against any changes. It almost as if there is a coalition to keep America poor, or at least to keep the poor people of America poor to justify the Federal Income tax (that keeps more people poor). This amplifies the argument of income tax advocates that the rich must pay more taxes because there are so many poor people who need help. However, middle class taxpayers are hurt more by the income tax than the rich, and poor people suffer from the Federal Income Tax even if they do not owe any Federal Income Taxes.

Taxes are withheld from their paychecks (money they need immediately), and much later they must file a Federal Income Tax Return and wait a long time to get their money back. Moreover, everyone, rich and poor (whether they are working or not), incurs the cost of the Federal Income Tax. We are all paying a hidden federal Income Tax in addition to our own taxes. The costs of other people’s federal income taxes are included in the costs of goods and services through the withholding tax. Businesses must withhold federal income taxes for all employees and include this expense in their cost of doing business. Businesses must have this money “up front” and include it when establishing prices for their goods and services.

So the poor pay as much or more for federal income taxes than anyone else through this hidden tax that is truly “regressive”. Then, if the poor manage to prosper by overcoming all odds, they are met with a regressive Federal Income Tax that increasingly makes them pay more taxes as they earn more, pushing them backwards on their path to prosperity. Income taxes for the past 100 years since 1913 have made it much more difficult to move up out of poverty to become really successful. 100 years of self-inflicted economic wounds resulting from the income tax are much more than enough for us to realize that it is time to stop hurting ourselves and repeal the income tax.

When elimination of the Federal Income Tax is debated, opponents of change say, “Show us the offsetting revenue that will replace the Federal Income tax”. Of course this is impossible because the revenue does not exist yet and will not exist until the tax swap occurs, replacing the Federal Income Tax with a national sales tax. Without the Federal Income Tax, every cent of the national sales tax rates will produce more revenue than initially estimated because there will be a surge in spending if people, especially poor people, have more money in their pockets to spend. The full extent of this increase in spending and the resulting increase in national sales tax revenues will not be known precisely until the change is implemented and given time to work. Opponents of change chant, “Show us the money now; show us the money now”, but they block the change that would produce the additional money for them to see and allow America to compete other nations that have lower taxes and no income tax.

Getting rid of the Federal Income Tax is a huge pro-growth formula for all businesses, especially small businesses. The small business sector of the economy creates about two-thirds of all jobs nationwide (about 70 percent before the recession). Our federal income taxes that we compulsively cling to along with our other excessive regulatory burdens suppress the private sector of the economy. This keeps people from spending more money and increases the cost of doing business in America compared to some other nations.

America needs more taxpayers, not higher taxes. When poor people have jobs resulting from economic growth and lower taxes, they can buy a car and not worry about “how long before the next bus comes; how close to my destination will the bus go; and will it rain on me or be too cold or too hot for me while I wait?”.

For the faint of heart who cannot see the clear path to prosperity and compulsively cling to our existing taxes without change, there is an almost painless transition plan where they can see how it works and watch the results occur before going on to the next stage of income tax

elimination.

This plan is “**Pennies for Prosperity**” to prime the progress pump. Adopt a national sales tax rate of *pennies* but keep this additional revenue separate and totally outside of the nation’s general budget. Use 60 percent of this money to eliminate as much of the lower tax brackets as possible, moving from the bottom up. Use 40 percent of this money to lower the tax rates equally for all of the remaining brackets. This will have a stimulating effect on the economy. The nation will experience an increase in tax revenues without increasing tax rates allowing additional income tax brackets to be eliminated until eventually there is *no federal income tax*. To speed up the process, increase the national sales tax to eliminate the Federal Income Tax faster. Then America can take full advantage of its superior location and resources.

The national sales tax can be managed much more efficiently and effectively than federal income taxes, allowing the Internal Revenue Service to be abolished because the states can collect the federal portion of sales taxes for the national government. The Internal Revenue Service can be replaced by the Interstate Revenue Service that would deal with the states’ revenue departments and not with individuals or businesses. This state and federal cooperation would eliminate direct federal collections. The Interstate Revenue Service would audit states’ departments of revenue if necessary and not individuals or businesses.

Sales tax holidays could be declared for specific days if more economic stimulus is needed or if more temporary relief is needed from taxation. Temporary sales tax exemptions could also be declared for certain items if these are needed, for example, for disaster relief or public health needs. The effective management of the sales tax can help the truly needy much more than tinkering with the Federal Income Tax, and those who are successful in their work can be rewarded with the fruits of their own labors, at the same time creating more jobs for others. Prosperity likewise creates overflow work that benefits self-employed individuals.

Pennies for Prosperity is a **Win, Win, Win, Win** plan.

Capt. Bob Bell

USN (Ret), JAGC

Pennies for Prosperity

The Louisiana State Income Tax is “penny-wise and pound foolish”, producing relatively limited revenues at the expense of greater tax revenues, greater prosperity and greater ability to compete successfully with other states.

Every attempt at true tax reform and an effective tax swap eliminating the state income tax and replacing it with offsetting sales tax revenues is met with a chorus of special interests opposition against any changes. It almost as if there is a coalition to keep Louisiana poor, or at least to keep the poor people of Louisiana poor to justify the state income tax (that keeps more people poor). This amplifies the argument of income tax advocates that the rich must pay more taxes because there are so many poor people who need help. However, middle class taxpayers are hurt more by the income tax than the rich, and poor people suffer from the state income tax even if they do not owe any state income taxes.

Taxes are withheld from their paychecks (money they need immediately), and much later they must file a state income tax return and wait a long time to get their money back. Moreover, everyone, rich and poor (whether they are working or not), incurs the cost of the state income tax. We are all paying a hidden state income tax in addition to our own taxes. The costs of other people’s state income taxes are included in the costs of goods and services through the withholding tax. Businesses must withhold state income taxes for all employees and include this expense in their cost of doing business. Businesses must have this money “up front” and include it when establishing prices for their goods and services.

So the poor pay as much or more for state income taxes than anyone else through this hidden tax that is truly “regressive”. Then, if the poor manage to prosper by overcoming all odds, they

are met with a regressive state income tax that increasingly makes them pay more taxes as they earn more, pushing them backwards on their path to prosperity. Income taxes for the past 100 years since 1913 have made it much more difficult to move up out of poverty to become really successful. 100 years of self-inflicted economic wounds resulting from the income tax are much more than enough for us to realize that it is time to stop hurting ourselves and repeal the income tax.

When elimination of the state income tax is debated, opponents of change say, "Show us the offsetting revenue that will replace the state income tax". Of course this is impossible because the revenue does not exist yet and will not exist until the tax swap occurs, replacing the state income tax with some adjustment in the sales tax. Without the state income tax, every cent of the existing sales tax rates will produce more revenue because there will be a surge in spending if people, especially poor people, have more money in their pockets to spend. The full extent of this increase in spending and the resulting increase in state sales tax revenues will not be known precisely until the change is implemented and given time to work. Opponents of change chant, "Show us the money now; show us the money now", but they block the change that would produce the additional money for them to see and allow Louisiana to compete with states like Texas and Florida that have no state income tax.

Getting rid of the state income tax is a huge pro-growth formula for all businesses, especially small businesses. The small business sector of the economy creates about two-thirds of all jobs nationwide (about 70 percent before the recession) but accounts for only about half of the jobs in Louisiana. This is primarily because of our additional regulatory burdens here and our state income taxes that we compulsively cling to that suppress the private sector of the economy, keeping people from spending more money and increasing the cost of doing business in Louisiana compared to some neighboring states.

Louisiana needs to attract new residents, retirees and new businesses to become more prosperous (more taxpayers, not higher taxes). When poor people have jobs resulting from economic growth and lower taxes, they can buy a car and not worry about "how long before the next bus comes; how close to my destination will the bus go; and will it rain on me or be too cold or too hot for me while I wait?".

For the faint of heart who cannot see the clear path to prosperity and compulsively cling to our existing taxes without change, there is an almost painless transition plan where they can see how it works and watch the results occur before going on to the next stage of income tax elimination.

This plan is "**Pennies for Prosperity**" to prime the progress pump. Increase the state sales tax rates by **One Cent or more** but keep this additional revenue separate and totally outside of the State's general budget. Use 60 percent of this money to eliminate as much of the lower tax brackets as possible, moving from the bottom up. Use 40 percent of this money to lower the tax rates equally for all of the remaining brackets. This will have a stimulating effect on the economy. The state will have an increase in sales tax revenues not just from the additional one cent of the transition plan but also from the existing sales tax rates, allowing additional income tax brackets to be eliminated until eventually there is **no state income tax**.

Then Louisiana can take full advantage of its superior location with the Mississippi River, the Gulf Coast and much more at the crossroads of the nation.

The state sales tax can also be managed much more efficiently and effectively than state income taxes, not only in the collection of taxes but also in the administration of the tax for the public good. Sales tax holidays can be declared for specific days if more economic stimulus is needed or if more relief is needed from taxation such as, for example, for back to school supplies. Temporary sales tax exemptions can also be declared for certain items if these are needed, for example, for disaster relief or public health needs. The effective management of the sales tax can help the truly needy much more than tinkering with the state income tax, and those who are successful in their work can be rewarded with the fruits of their own labors, at the same time creating more jobs for others. Prosperity likewise creates over flow work that benefits self-employed individuals.

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