

THE HISTORY AND STRUCTURE OF THE IRS



The Treasury and Early Taxation

Most Americans have long assumed that the U.S. Treasury is part of the federal government and have dutifully paid taxes, even though the system was operated by a corporation called The Treasury. Resistance to income taxes was met with two tactics:

- **Foreign Agents:** The IRS used agents affiliated with the International Monetary Fund, who acted as government officials, often overcharging and threatening imprisonment.
- **Patriotism:** Citizens were persuaded that paying taxes was a patriotic duty, framed as a contribution to freedom.

This propaganda was reinforced by slogans like “Death and Taxes.”

The Bureau of Internal Revenue in Territories

Before 1940, another Bureau of Internal Revenue was created in Puerto Rico, forming Trust Fund #62. Notably, the Puerto Rico fund uses “Internal Revenue” in capital letters, while the Philippine fund uses lowercase.

The China Trade Act (1904–1938) dealt with taxes on opium, cocaine, and wines imported from China. U.S. tax law at the time applied primarily to foreign individuals, corporations, and territories—not natural citizens of the U.S. states.

Excise Taxes and Famous Cases

Early tax enforcement focused on excises: narcotics, alcohol, tobacco, and firearms. For example, Al Capone was jailed not for income tax evasion in the modern sense but for failing to pay excise taxes on alcohol.

The Internal Revenue Act of 1939 reinforced taxes on trade within U.S. territories, not on the citizens of the Union states.

Victory Tax and Federal Overreach

During World War II, the “Victory Tax” was introduced, supposedly temporary, but became permanent. It applied primarily to government employees, yet many Americans paid voluntarily, unaware the law had expired.

Federal power is constitutionally limited to regulating commerce with foreign nations, between states, and with Indian tribes, or taxing its own property. Citizens of the 50 states are not subject to un-apportioned federal taxes. However, through coercion, individuals were treated as if they were residents of territories like Puerto Rico or Guam when filing 1040 forms.

Transformation of the BIR into the IRS and BATF

In 1953, Secretary of the Treasury G.M. Humphrey renamed the Bureau of Internal Revenue (BIR) the “Internal Revenue Service” (IRS), without Congressional approval.

In 1972, Acting Secretary Charles E. Walker created the Bureau of Alcohol, Tobacco, and Firearms (BATF) by reorganizing the IRS. Regulations merged the BATF and IRS, creating a confusing overlap of authority.

Despite these reorganizations, neither the IRS nor the BATF appears in the statutory list of Treasury agencies under Title 31 USC. They exist largely as administrative entities connected to Puerto Rico Trust #62.

Delegation of Authority Issues

The IRS claims authority through Treasury Orders, such as 150-10 (1982), but investigation reveals discrepancies:

- Incorrect or missing seals
- Inconsistent dates
- Lack of lawful delegation from the Secretary of the Treasury

Orders allowing audits or collections apply mainly to territories, possessions, and non-U.S. citizens abroad, not to citizens of the Union states. Criminal investigation powers are also limited to specific excise-related crimes.

Legal and Constitutional Implications

“Acts of Congress” apply primarily to the District of Columbia, territories, and insular possessions (28 USC Rule 54c).

Many federal prosecutions of American citizens under income tax laws exceed the actual statutory authority of the IRS.

Powerful groups have changed how the court and tax systems work in order to treat regular people like corporate “objects” instead of living human beings. these groups use special types of courts and legal tricks to make it seem like people owe taxes or debts that they don’t actually owe.

Tax agencies, like the IRS, are actually private companies pretending to be part of the U.S. government, and they treat Americans as “persons” — meaning made-up business entities — instead of real people. This allows these agencies to collect money under false pretenses.

Tax Court is only supposed to operate inside Washington, D.C., but it sends judges around the country anyway. Taxes are collected from people who aren’t government workers, even though only government employees are supposed to pay certain federal taxes. This system has grown into something abusive, confusing, and dishonest.

Agencies like the BATF (Bureau of Alcohol, Tobacco, and Firearms) are used to enforce tax collections even though the IRS itself wasn’t given authority to carry weapons.

Many Americans get huge tax bills because the system falsely labels them as business entities involved in regulated industries.

Conclusion

The entire tax system is a giant fraud built on false identities, mistaken assumptions, and lack of disclosure.

The IRS and BATF are deeply intertwined with territorial trusts rather than directly with the federal government. Much of their authority comes from

internal reorganization orders rather than legislation. Citizens of the 50 states have historically been treated as if they are under these codes, despite constitutional limitations.