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Break through analysis: IRC of 1954 'Act to revise the internal revenue laws vs. prior Acts (1873 - 1935) to amend 'internal-revenue laws' - What does it mean & do?

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Saved: Tue 1/06/15 9:00 AM

To: Don Wallis (dwallis@ubulaw.com)

11 attachments

26 CFR PART 601 pdf. EXCERPTS.pdf (1916.4 KB) , 31cfr0.101.pdf (25.7 KB) , T.O. 120-01 (1972).pdf (1805.8 KB) , 26 USC 7701(a) Definitions.jpg (257.1 KB) , 26 USC 7701(a) Definitions - 'State', pg 2.jpg (273.5 KB) , People of NY v. Graves, 300 US 308 (1937) - 'Doctrine of Domicile'.jpg (394.7 KB) , Federalist No. 32.pdf (1508.7 KB) , 1 USC 204 - Code of laws of the U.S. & D.C..pdf (1265.9 KB) , 'Internal Revenue Title' enacted into law.pdf (309.0 KB) , 27 USC 214 - Definitions.pdf (443.1 KB) , Supreme Court Federal tax rulings affecting the 16th Amendment 'tax on incomes, from whatever source derived' (4).doc (238.1 KB)

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Fellow Tax Law enthusiast,

For your convenience I will be forwarding by separate email a pdf (24.9 MB), in 1 or 2 parts depending on your provider's limits. The pdf is a historical compilation of the revenue laws of the United States enacted by Congress, assembled for the purpose to demonstrate the separate designation and type of "*internal revenue laws*", which today apply to taxes found in Subtitle A - part of Subtitle D vs. "**internal-revenue laws**" and taxes found in the balance of Subtitle D and Subtitle E and the Revised Statutes of the United States (1874), as amended prior to the the establishment of the Internal Revenue Code (IRC) in 1939 - 53 Stat 1, Vol. 53, Part 1. Note, Subtitle '**F**' and the '*administrative and enforcement*' provisions therein applied within the '**concurrent jurisdiction**' of the United (50) States to the '**objects**' of these laws are distinct and separate, as well.

Recognizing Congress' statutory distinction between these revenue laws and further, it enacted separate 'Codes of law' (I.R.C. & U.S.C.) and administrative authority specific to each based on their operation in either its 'exclusive' or 'concurrent' indirect '**excise**' tax jurisdiction is imperative when determining the Subtitle A income tax liability of any "State Citizen" operating in either jurisdiction. This circumstance exists because the Constitution secures such "Citizen" with the 'Right' to operate within the 'concurrent jurisdiction' in pursuit of any lawful 'private' sector endeavor (commerce) without Federal franchise or privilege, which amounts to '**immunity**' from Federal internal '**indirect**' taxation imposed on the gains derived therein. No immunity exists from any Federal '**direct**' tax. The 16th amendment did not amend any Right or grant new powers or subjects to tax. [Art. IV, Sec. 2, cls 1; 111 U.S. 746, 756-757 (1884); 141 U.S. 47, 57 (1891); 252 U.S. 206 (1920); 26 U.S.C. 1366 & 26 CFR 1.312-6(b) - applied to shareholder of S-corp]

The Treasury Secretary and Congress via Reorg. Plan No. 26 of 1950, authorized separate internal revenue agencies, **i**) the Internal Revenue Service (IRS) - who's head is the Commissioner of Internal Revenue and **ii**) the Bureau of Alcohol, Tobacco & Firearms (ATF) headed by the Director of ATF, as amended by the Homeland Security Act, see below T.O. 150-10 and T.O. 120-01 (2003), respectively.

Prior to 1972, ATF was a 'Division' within the Bureau of Internal Revenue (agency later named IRS), which the Commissioner of IR had superintendent authority over the delegated duties of the ATF Division Director. This 'administrative law' arrangement still exists today even though ATF is a separate agency within the Treasury Department, see attached T.O. 120-01 (1972) and 26 CFR 601.101-102 Administrative Procedures Act (APA) regs, together with 31 CFR 0.103(b) for the list of bureau/agencies in the Treasury Dept., including 'U.S. Customs' - **external revenue** via tariff 'duties'. The APA regs describe the Commissioner of Internal Revenue's authority to be "general superintendence", and further describes, the distinction between the revenue laws applicable to this 'general superintendence' in terms of **taxes** either **i**) "assessed" or **ii**) paid by "stamp", which also apply to 'custom-duty' objects.

This arrangement vests exclusively with the Commissioner of Internal Revenue authority to impose Subtitle A income taxes on ATF activities, otherwise under the exclusive jurisdiction of the Director of ATF via the "**internal-revenue laws**" of the United States, which per T.O. 120-01 (2003) said authority is found in *Title 26 - Internal Revenue* (26 U.S.C. 7801(a)), **not** the IRC of 1986 - formerly 'IRC of 1954' statute stated in T.O. 150-10.

This raises the distinct legal reality that the IRC of 1954 Act authorized the 'revision' of internal revenue law applied to the '**exclusive tax jurisdiction**' of the United States government only, as organized in Subtitles A - F under the superintendence of the Commissioner, which obviously apply to ATF "trade" and "business" incomes. All 'objects' within this jurisdiction are taxable and the distinction between internal revenue laws, hyphenated or otherwise, is moot and subject to 'revision' without objection. [McCullough v. Maryland (1819); Federalist No. 32]

This construction is consistent with the **IRC** statute's definition of "**State**" specific to the territory/authority of any taxing sovereign under the 'doctrine of domicile' (see IRC sections 7651 & 7701(a)(10) & (d); *NY v. Graves*, 300 U.S. 313 (1937)), and is in contradiction to the '**concurrent** 'indirect' tax **jurisdiction**' and subsequent revenue laws of the United States applied to the United (50) States under the Constitution, which laws are codified in **Title 26 - Internal Revenue of the U.S.** Code of Laws, which Title represents 'prima facie' evidence of the law *versus* the **Internal Revenue Title** codified in the 'IRC of 1954' statute, as amended, see 1 U.S.C. 204 attached. Also, see attached pdf - IRC 7710(a)(10) "State" text applied to "*this title*" as identified in the Act (statute), as noted in attached pdf - 'Internal Revenue Title' enacted into law.

The ATF Director per T.O. 120-01 (2003) below, is delegated additional authority over U.S.C. **Title 27 - Intoxicating Liquor**. "**State**" is defined therein to specifically apply to the several (50) States and individually lists therein D.C. & the possessions of the United States which are **not** "States" under the Constitution but is territory subject to '**exclusive**' Federal jurisdiction. This definition controls the terms "**State law**" and "**United States**", also defined. See attached pdf 27 U.S.C. 214 (10) -(12).

Also note the statutory **root** law of IRC 6651 - Failure to file tax return and the "Addition to the tax" assessed in such event, together with the Commissioner's IRC 6020 authority to prepare and execute

required returns for 'earned' and 'profit/investment' income derived thereunder.

Regards, William (Bill) Tinnerman

--Forwarded Message Attachment--

TREASURY ORDER 120-01

DATE: January 24, 2003

Sunset Review: January 24, 2008

SUBJECT: Alcohol and Tobacco Tax and Trade Bureau

1. ESTABLISHMENT. By virtue of section 1111(d) of the Homeland Security Act of 2002, Title XI, Subtitle B, Public L. No. 107-296, 116 Stat. 2274, codified at 6 U.S.C. section 531(d), and by the authority vested in the Secretary of the Treasury (□Secretary□) under 26 U.S.C. 7801(a) and 31 U.S.C. Section 321(b), the Tax and Trade Bureau is established within the Department.

2. DESIGNATION OF THE TAX AND TRADE BUREAU AS THE ALCOHOL AND TOBACCO TAX AND TRADE BUREAU. The Tax and Trade Bureau is designated as the Alcohol and Tobacco Tax and Trade Bureau (□TTB□). The head of the TTB is the Administrator (□Administrator□), who is appointed by the Secretary, and who shall perform duties as assigned by the Secretary or his designee.

3. AUTHORITIES, FUNCTIONS, AND POWERS OF THE ADMINISTRATOR. The Administrator shall exercise the authorities, perform the functions, and carry out the duties of the Secretary in the administration and enforcement of:

- a. Chapters 51 and 52 of the Internal Revenue Code of 1986;
- b. Sections 4181 and 4182 of the Internal Revenue Code of 1986; and
- c. Title 27, United States Code.

4. FORMER AUTHORITIES OF THE DIRECTOR, ATF. The Administrator shall have all authorities delegated to the Director of the Bureau of Alcohol, Tobacco and Firearms in effect on January 23, 2003, that are related to the administration and enforcement of the laws specified in paragraph 3. The Administrator shall possess full authority, powers, and duties to administer the affairs of and to perform the functions of TTB, including, without limitation, all management and administrative authorities and responsibilities similarly granted and assigned to Bureau Heads or Heads of Bureaus in Treasury Orders and Treasury Directives.

5. COMPLETED ADMINISTRATIVE ACTIONS, PENDING PROCEEDINGS, AND REGULATIONS.

- a. All completed administrative actions of the Bureau of Alcohol, Tobacco and Firearms, including but not limited to orders, determinations, rules, regulations, personnel actions, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges and forms issued, adopted or executed in connection with the administration and enforcement of the laws specified in paragraph 3 on or before January 23, 2003, shall continue in effect until superseded or revised.
 - b. The terms "Director, Bureau of Alcohol, Tobacco and Firearms," "Director," and similar references wherever used in completed administrative actions issued, adopted or executed in connection with the administration and enforcement of the laws specified in paragraph 3 on or before January 23, 2003, shall mean the Administrator. The terms "ATF officer" or "appropriate ATF officer," and all references to officers or employees of the Bureau of Alcohol, Tobacco and Firearms in completed administrative actions issued, adopted or executed in connection with the administration and enforcement of the laws specified in paragraph 3 on or before January 23, 2003, shall apply to officers or employees of TTB.
 - c. Proceedings pending in the Bureau of Alcohol, Tobacco and Firearms on January 23, 2003, relating to the administration and enforcement of the laws specified in paragraph 3, including but not limited to notices of proposed rulemaking, applications for licenses, permits, certificates, grants, and financial assistance, and personnel actions and other administrative proceedings, shall be under the authority of the Secretary and are delegated to the Administrator consistent with delegations from the Secretary to the Director of the Bureau of Alcohol, Tobacco and Firearms in effect on January 23, 2003.
 - d. Regulations for the purposes of carrying out the authorities, functions, and duties delegated to the Administrator may be issued by him with the approval of the Secretary or his designee.
6. REDELEGATION. The Administrator may delegate any of the authority vested under this Order. All delegations of authority in existence on January 23, 2003, by the Director of the Bureau of Alcohol, Tobacco and Firearms related to the administration and enforcement of the laws specified in paragraph 3 to positions established within TTB shall remain in effect until superseded or revised.
7. RATIFICATION. Any action heretofore taken that is consistent with this Order is hereby affirmed and ratified.
8. PRIVACY ACT OF 1974, AS AMENDED, SYSTEMS OF RECORDS. All systems of records of the Bureau of Alcohol, Tobacco and Firearms related to the administration and enforcement of the laws specified in paragraph 3 that were in effect on January 23, 2003, shall be TTB systems of records and shall continue to be covered by the Federal Register notice published on August 30, 2001, at 66 Federal Register 45893, until superseded or revised.
9. CANCELLATIONS.
- a. Treasury Order 120-01, "Establishment of the Bureau of Alcohol, Tobacco and Firearms," dated June 6, 1972, is cancelled.
 - b. Treasury Order 120-02, "Trafficking in Contraband Cigarettes," dated December 5, 1978, is cancelled.

c. Treasury Order 120-03, □Transfer of Functions to the Director, Bureau of Alcohol, Tobacco and Firearms, to Administer and Enforce, 26 U.S.C. 4181 and 4182, Relating to Excise Tax on Firearms, □ dated November 5, 1990, is cancelled.

d. Treasury Directive 15-12, □Delegation of Authority to the Director, Bureau of Alcohol, Tobacco and Firearms, to Investigate Violations of 18 U.S.C. □□ 1956 and 1957, □ dated February 15, 2002, is cancelled.

10. AUTHORITIES. Section 1111 of the Homeland Security Act of 2002, Title XI, Subtitle B, Public L. No. 107-296, 116 Stat. 2274, codified 6 U.S.C. section 531, 26 U.S.C. Section 7801(a), and 31 U.S.C. Section 321(b).

11. EFFECTIVE DATE: January 24, 2003

12. OFFICE OF PRIMARY INTEREST: Alcohol and Tobacco Tax and Trade Bureau.

/S/

Kenneth W. Dam

--Forwarded Message Attachment--

BY ORDER OF THE SECRETARY OF THE TREASURY

TREASURY ORDER: 150-10

DATE: April 22, 1982

SUNSET REVIEW: TBD

SUBJECT: Delegation--Responsibility for Internal Revenue Laws

By virtue of the authority vested in me as Secretary of the Treasury, including the authority in the Internal Revenue Code of 1954 and Reorganization Plan No. 26 of 1950, it is hereby ordered:

1. The Commissioner of Internal Revenue shall be responsible for the administration and enforcement of the Internal Revenue laws.
2. Commissioner Order No. 190 and General Counsel Order No. 4 state the powers delegated to the Chief Counsel for the Internal Revenue Service.
3. All outstanding orders and delegations of authority relating to the above are modified accordingly.

This Order supersedes Treasury Department Order No. 150-37 dated March 17, 1955.

Donald T. Regan
Secretary of the Treasury