

Washington War Tax Resistance

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NEWSLETTER

Edited by Bill Samuel

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DISCUSSION MEETING SEPTEMBER 9

8 p.m., William Penn House, 515 E. Capitol St., D.C. General open meeting. Sharing of experiences, ideas and/or questions for discussion. Discuss future of Alternate Fund and national, regional and local plans of the tax resistance movement.

NEW IRS PROCEDURES ON EXCISE TAX REFUSALS

On August 9, the IRS issued a Handbook Supplement entitled "Processing Cases Involving Refusal to Pay Excise Taxes as a Protest Against Military Action in Viet Nam". The Supplement covers new procedures on processing war tax refusal cases and a plan for regular monthly reporting of the number of such cases to National IRS. The excise taxes specifically mentioned are those on telephone service and on airline tickets.

"Experience has shown that taxpayers involved in telephone excise tax cases generally are repeaters." Therefore, IRS has decided to collect the taxes "on an annual basis in order to reduce collection costs in relation to the low yield involved." The telephone excise tax collection year will end on the last day of February.

Some previously nonuniform processes will now be uniform. No penalties will be assessed against telephone tax refusers, but interest (6% from date due) will always be assessed. "...since the liability for the excise tax is not in question, the taxpayer will not be accorded the right to execute an agreement form, the right to a district conference, the right of protest, and the opportunity for consideration before the Regional Appellate Division." All excise tax liabilities of \$1 or more will be collected.

The supplement reports on a movement that started in the Midwest and has "spread rather widely". Telephone tax objectors have been sending checks for their tax made payable to "Department of Health, Education and Welfare, National Air Pollution Control Administration." They are accompanied by notations that "I am redirecting my tax money from war and destruction to one of the urgent domestic priorities which so desperately need our country's resources." The IRS Chief Counsel has ruled that "checks drawn to the order of a governmental agency should be treated as drawn to the order of the United States." Therefore, such checks will be accepted by IRS and treated like checks made payable to the IRS. Thus such checks can and will be used to support the war effort. This procedure now has protest value only.

Photocopies of the full Supplement are available for 50¢ each.

FUND APPEAL!

Washington War Tax Resistance is in debt because there have been few contributions in recent months. We need a fair amount of money soon to pay debts, pay ongoing expenses and replenish our depleted supply of our own leaflet. No contribution too small - or too large - to be accepted. PLEASE GIVE GENEROUSLY NOW.

WAR TAX REPEAL ASKED, IRS INVESTIGATORS SHIFTED IN NIXON'S NEW ECONOMIC POLICY

Although Nixon's New Economic Policy (NEP) is on the whole an attack on the lower and middle classes, it does have some positive features for war tax resisters. One is the request to Congress to repeal the 7% automobile excise tax retroactive to August 15. Like the telephone tax, this tax exists to pay for the war.

The second effect of NEP on the tax resistance movement is a result of the use of IRS to help enforce the wage-price freeze. The IRS has turned over 5000 investigators to the miniscule Office of Emergency Preparedness (responsible for freeze enforcement) and is using its local offices as information centers for citizen inquiries on the freeze. The extent to which this will affect normal IRS operations is unknown, but it seems likely to slow down tax enforcement.

SCHEDULE A - FORM W-4: ITEMIZED DEDUCTIONS WITHHOLDING ALLOWANCE

In a recent W-4 court case, the existence of a Schedule A of Form W-4 was discovered. Form W-4 is the Withholding Exemption Certificate which you file with your employer for use in figuring the amount of your withholding tax. Schedule A is an IRS form that allows people to legally reduce withholding to below the normal level for the number of exemptions to which they are entitled. The Schedule is entitled "Determination of Withholding Allowances Based on Itemized Deductions". It is available at IRS offices or through your employer.

The Schedule A is attached to your W-4 Form and allows you to specify "determinable additional deductions" defined as "certain identifiable itemized deductions which you estimate will cause your total estimated deductions to be larger in 1971 than those claimed in 1970." Further explanation, filing details and a table for computing the number of additional withholding allowances are on the form.

"You can say that you are deducting that amount that would go for war and since most of our federal taxes are paying for war, you would estimate how much money you would have withheld from IRS normally for the coming year and then declare that amount as deductions and use the allowed number of exemptions on the W-4. One could still be arrested as in W-4 resistance but may have a better defense." (TAX TALK, Aug.)

LEGAL NOTICES

National WTR suggests tax refusers place the following in their local newspaper's "legal notices" section (I would suggest the "special notices" section in the POST). It can be modified in accordance with personal situations and preferences.

I HEREBY DECLARE THAT I AM NO LONGER RESPONSIBLE FOR DEBTS INCURRED IN MY NAME BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA. IN ORDER TO DISENGAGE MYSELF FROM CONTINUING FINANCIAL SUPPORT OF A GOVERNMENT WHICH IS CONDUCTING AN ILLEGAL WAR IN SOUTHEAST ASIA, I AM REFUSING TO PAY (MY FEDERAL PHONE TAX, MY FEDERAL INCOME TAX) - SINCE _____. BECAUSE I AM A SALARIED EMPLOYEE, THE ONLY WAY I CAN PROHIBIT THE GOVERNMENT FROM TAKING MY MONEY IS BY CLAIMING THAT NUMBER OF DEPENDENTS WHICH REDUCES MY WITHHOLDING TAX TO \$0. SINCE _____, I HAVE CLAIMED _____ DEPENDENTS ON MY W-4 FORM. THE LIVES OF PEOPLE IN SOUTHEAST ASIA DEPEND ON MY REFUSAL TO FINANCE THE PRODUCTION AND USE OF THE WEAPONS WHICH KILL THEM; SINCE THEIR LIVES DEPEND ON MY ACTION, THEY ARE IN FACT MY DEPENDENTS. NAME, ADDRESS, PHONE NUMBER.

WTR PROPOSALS ADOPTED BY PEOPLE'S COALITION FOR PEACE AND JUSTICE BUT NOT BY THE NATIONAL PEACE ACTION COALITION

- 1) That they refuse to pay any war taxes: telephone war tax, income taxes and withholding taxes from their employees' salaries.
- 2) That they not only resist but also promote the resistance of war taxes; . . .
- 3) That they initiate the formation of Alternative Funds throughout the country whereby war tax monies could be rechanneled to local community groups.
- 4) That they set up a working committee to see that the above proposals are acted upon.

(presented to national conferences of both PCPJ and NPAC this summer)