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Frivolous Anti-Tax Arguments (Part 1)

Some people will do just about anything to get out of paying their taxes, including finding any self-perceived loopholes in the law or the Constitution. It has gotten to the point where some of the arguments people make to avoid paying taxes are frivolous to the IRS. You will find some of these arguments below. If you have an inclination to believe any of these arguments, save yourself the trouble and tax penalties by not falling for any of them.

1. It is not compulsory to pay taxes

Have you heard of this one? Some people mistakenly think that it is voluntary to file and pay your taxes. This stand is based on a sentence in an often quoted 1960 Supreme court ruling that contains this sentence, “our system of taxation is based upon voluntary assessment and payment, not upon distraint”. Based on this line and the alleged fact that the Internal Revenue code and federal law does not compel one to pay taxes, some people refuse to pay their dues. But what do ‘voluntary’ and ‘distraint’ mean in its context?

The government says that the term ‘voluntary’ means the choice made by oneself insofar as it applies only to the calculation of the amount of taxes to be paid, not the filing or payment of the taxes. In other words, the government allows you the liberty to calculate how much taxes you owe if you so wish, but you still need to file your calculated taxes and pay up. If you do not file or pay your taxes, you are liable to a fine, interest payments and imprisonment.

2. Wages and salaries are not ‘income’

Another frivolous argument is that the money earned as wages, salaries and tips do not come under the definition of ‘income’ because it is money received in exchange for some form of goods or services provided. And since the amount of money received is equivalent to the value of such goods or services, there is no gain and if there is no gain, there should be no tax levied. This is like saying the goods and services have merely changed in form from its original form into the form of money.

In argument against this thinking, it can be clearly seen from case law, IRS rules and the Internal Revenue code that all forms of gross income from whatever sources falls under the definition of ‘income’ that is subject to tax.

In the next article, I will highlight two more frivolous arguments people use to avoid paying taxes.

Darrin T. Mish is a veteran, nationally recognized tax attorney who has focused on providing IRS help to taxpayers for over a decade. He regularly travels the country training other attorneys, CPAs and enrolled agents on how to handle their toughest cases with the IRS. He is highly ranked among the top attorneys in the country, with an AV rating from Martindale-Hubbell and a perfect 10 on Avvo.com. Martindale-Hubbell has also honored him with a listing in their Bar Register of Preeminent Lawyers. He is a member of the American Society of IRS Problem Solvers and the Tax Freedom Institute. With clients on every continent but Antarctica, he has what it takes to solve your IRS problems no matter where you live in the world. If you would like more information about his practice and how he can help you, please call his office at (813) 229-7100 or toll free at 1-888-GET-MISH.