

Subject line: IRS concedes my earnings do NOT constitute "gross income". And yours probably don't either...

Most of us, when seeing an injustice being committed, will feel compelled to do something about it. And when that injustice itself fuels and lubricates a monstrous engine which routinely generates yet more injustice, the motivation to act can become overwhelming, as it has for me.

If this were an ordinary e-mail advertising or promoting some self-serving interest on my part, I would begin with an apology for the unsolicited intrusion upon your time and privacy. But it really isn't -- at least in my view, and I consider myself reasonably sensitive to such matters. However, if you should find yourself disagreeing with me at the end of this letter, then you have my deepest regrets for this disturbance. Those of you who know me well are likely to realize that I wouldn't undertake an e-mail campaign such as this without the sincere conviction that the information I'm attempting to impart is both intrinsically important and also something that most of you will conclude is really in your own best interests to have received.

For about four years now I've been engaged in a part-time study of the history and application of the Federal "Income Tax", originally a Civil War emergency budgetary measure which has come and gone twice before receiving lasting reincarnation via the Taft-Underwood Tariff Act of 1913, the year which not coincidentally also gave us the Federal Reserve Act. During these past four years of research I have come across and attempted to evaluate many interpretations of the current tax code, along with the many explanatory hypotheses underlying these interpretations. Only a minority of these ideas have since demonstrated any real traction, while many others remain outright daffy, to put it kindly. But the Internal Revenue Code (aka Title 26 of the U.S. Code) which they all attempt to explicate is so complex, unwieldy and tortuously obfuscatory that it has quite naturally produced a plethora of often conflicting viewpoints regarding the actual semantic contents and legal meaning of its now 3.6 million word bulk.

Fortunately for me, and before I could come to any dangerously erroneous conclusions about my true tax obligations under these confusing laws, I stumbled across a website ([www.losthorizons.com](http://www.losthorizons.com)) and a book ("Cracking the Code: the Fascinating Truth about Taxation in America" -- or CtC for short), both authored by a remarkable legal researcher and rule-of-law advocate living in Michigan named Peter Hendrickson. This book and the essays on his website made sense of the income tax scheme in a way that even the most cogent-seeming of competing interpretations could not. But beyond the intrinsic virtues of making logical and semantic sense, being self-consistent, and aligning itself neatly with the unraveled, cross-referenced, unpacked and painstakingly parsed tangle of legal-speak that is the tax code itself, Hendrickson's analysis enjoyed the singular concrete advantage of having in 2003 netted Pete and his wife Doreen the first-ever complete refund of its kind in the history of the IRS. That refund included payroll taxes, FICA 'contributions' to Social Security, Medicare amounts and FUTA taxes: in short, everything withheld from their paychecks came back to them on that historic refund check. Several thousand subsequent examples of these kinds of refunds have since been enthusiastically received by conscientious readers of CtC.

Of course, it's not enough to find an explanation or procedure personally compelling, or to be convinced of its truth value based solely on theoretical considerations, or even to rely on evidentiary claims that might ultimately amount to no more than hearsay. The proverbial proof should always be found in the pudding itself. With that axiom in mind, I am very happy to report on the personal consequences of three years' worth of filing my own taxes by following the examples in CtC and applying the principles of law expounded in the book. My official IRS Record of Account transcripts for those tax years (2004 - 2006), which I only recently obtained from the IRS Memphis office, show in unambiguous terms that although I paid NO federal income taxes of any kind on my earnings for those years I am also regarded by that same IRS database as owing NO taxes for those years, with NO penalties assessed and NO interest accrued. So for the benefit of anyone who might vicariously enjoy some really tasty pudding, I've attached a zipfile that includes not only scans of these transcripts (with some personal info redacted), but also scans of third-party "information returns" (e.g. 1099-MISC forms) that were filed with the IRS for those years by business clients whom I was unable to persuade into foregoing this pointless waste of their time and money. These latter forms implicitly alleged that the companies issuing them were entities of a class which is statutorily charged with a requirement to file such forms with the Internal Revenue Service. These forms further implicitly alleged that I had received taxable

compensation from such an entity. Once these errors were appropriately pointed out to the IRS and properly rebutted in my 1040 filings, it was the particulars of my sworn testimony and not these ill-informed allegations which determined how the record would read in the end.

Let me say it again, in boldface this time: these IRS transcripts concede that I received no "gross income" (and thus no "taxable income") for the relevant period, and that as a consequence I do not owe any income taxes for that period, despite my not having paid any taxes for those years and despite some of the companies paying me for contract work in those years having submitted official IRS forms alleging my receipt of "income" from them. But the most important point to be taken here is that there is absolutely nothing special about my personal or professional status nor about the filing actions that I've taken and am reporting. You too are almost certainly a candidate for obtaining and enforcing the same kind of results regarding the fruits of your own labors.

If you've been paying attention, the inevitable implications of this information and its perhaps surprising validation probably haven't escaped you, and they are both profound and disturbing. Beneficiaries of the income tax scheme (including not only those in the bloated federal government itself, but those in various symbiotic industries that have grown up around the administration of payroll and human resource services, the ritualized preparation of tax forms, the maximization of tax breaks and deductions through investment management, etc, etc, etc) have been wittingly and unwittingly misrepresenting and misapplying the Title 26 tax laws of this country for decades. And although there is indeed a sizable segment of national economic activity for which the federal income tax laws most certainly do create a tax obligation, typical Americans working in the private-sector are seldom involved with such activity. Instead, we have been intentionally and systematically duped into paying taxes for which we are almost never actually liable. This deliberately engineered over-bilking has precipitated a rising flood of illegitimate revenue for the federal government that has swept the influence (and effluence) of D.C. politicians and bureaucrats far beyond the Constitutional levees erected by this nation's founders to contain them, and at the same time all but erased any incentives for fiscal responsibility or regulatory restraint. Every wasteful, counter-productive, hurtful or destructive program in both domestic and foreign policy areas perpetrated and perpetuated by 'our' runaway government is directly facilitated by this deceptive, coercive, immoral and ultimately unlawful expropriation of labor, capital and property from the producing sector of our economy.

Skeptics interested in how such a situation could possibly now be true or could ever have arisen in the first place are invited to read the other attachment, a synopsis of some of what I've learned over the course of my own journey through the morass that is this topic. Better yet, go to the LostHorizons site and order Pete's book, which will almost certainly prove to be the best \$25.00 investment of your terrestrial life. And lest any of you should wonder, I get no commissions, kickbacks, brownie points, airline miles or referral fees of any kind from directing you there. I do so only out of conscience and a desire to help my fellow Americans keep all their hard-won earnings for themselves and for their families, where these monies will without a doubt more intelligently benefit the overall economic and political health of this nation. I also want to see an end to the countless injustices spawned by what has become an unrecognizable corruption of the federal system devised by our Constitution's framers, injustices blatant both in the government's acquisition of the financial means to its multifarious ends and in far too many of the ends themselves.

Please feel free to forward this to whomever you please, and also to e-mail me with questions, comments or, if this letter has offended you in any way, criticism of my decision to dispatch it to virtually everyone in my Internet address books. Regardless of the intended content of your e-mail though, I do ask that you first read the attachments and visit the LostHorizons site. Your questions or objections are likely to find at least some partial answers there.

Thank you for your time and attention,  
Don Drolet  
Richardson, Texas  
November, 2007

PAYER'S name, street address, city, state, ZIP code, and telephone no. *REDACTED* Technologies, Inc. Addison, TX		1 Rents \$	OMB No. 1545-0115 <b>2004</b> Form 1099-MISC	<b>Miscellaneous Income</b>
		2 Royalties \$	3 Other income \$	
		4 Federal income tax withheld \$		<b>Copy B For Recipient</b>
PAYER'S Federal identification number 02-0597315	RECIPIENT'S identification number *REDACTED*	5 Fishing boat proceeds \$	6 Medical and health care payments \$	
RECIPIENT'S name, address, and ZIP code Donald W Drolet *REDACTED* Richardson TX		7 Nonemployee compensation \$ 3240.00	8 Substitute payments in lieu of dividends or interest \$	This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	10 Crop insurance proceeds \$	
		11	12	
Account number (optional)		13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$	
15		16 State tax withheld \$	17 State/Payer's state no.	18 State income \$



PAYER'S name, street address, city, state, ZIP code, and telephone no. <b>*REDACTED*</b>  Carrollton, TX		1 Rents \$	OMB No. 1545-0115  <b>2004</b>	Miscellaneous Income  29-190847 Department of the Treasury — IRS
		2 Royalties \$		
		3 Other income \$	4 Fed. inc. tax withheld \$	Copy B For Recipient
PAYER'S Federal identification number  75-2358271	RECIPIENT'S identification number  <b>*REDACTED*</b>	5 Fishing boat proceeds \$	6 Medical and health care payments \$	
RECIPIENT'S name, address, and ZIP code DON DROLET  <b>*REDACTED*</b>  RICHARDSON TX		7 Nonemployee compensation \$ 25654.74	8 Substitute payments in lieu of dividends or interest \$	This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	10 Crop insurance proceeds \$	
Account number (optional)		11	12	
		13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$	
15		16 State tax withheld \$	17 State/Payer's state no. \$	18 State income \$

Request Date: 08-21-2007  
Response Date: 08-21-2007  
IRS Employee Number: 3HSD8  
Tracking Number: 100017840221

Record of Account

FORM NUMBER: 1040

TAX PERIOD: Dec. 31, 2004

TAXPAYER IDENTIFICATION NUMBER:

\*REDACTED\*

DONALD W DROLET

Any minus sign shown below signifies a credit amount.

ACCOUNT BALANCE: 0.00  
ACCRUED INTEREST: 0.00  
ACCRUED PENALTY: 0.00

AS OF: Jun. 04, 2007  
AS OF: Jun. 04, 2007

ACCOUNT BALANCE PLUS ACCRUALS: 0.00

\*\* EXEMPTIONS: 01  
\*\* ADJUSTED GROSS INCOME: 0.00  
\*\* TAXABLE INCOME: 0.00  
\*\* TAX PER RETURN: 0.00  
\*\* SE TAXABLE INCOME TAXPAYER: 0.00  
\*\* SE TAXABLE INCOME SPOUSE: 0.00  
\*\* TOTAL SELF EMPLOYMENT TAX: 0.00

\*\* FILING STATUS: Married Filing Separate

\*\* PER RETURN OR AS ADJUSTED

RETURN DUE DATE OR RETURN RECEIVED DATE (WHICHEVER IS LATER): Apr. 15, 2005

PROCESSING DATE: Jun. 06, 2005

TRANSACTIONS

CODE	EXPLANATION OF TRANSACTION	CYCLE	DATE	AMOUNT
150	RETURN FILED AND TAX ASSESSED	20052108	06-06-2005	\$0.00
	18211-121-39334-5			

DONALD W DROLET

\*REDACTED\*  
RICHARDSON, TX \*REDACTED\*

SSN Provided: \*REDACTED\*  
Tax Period Ending: Dec. 31, 2004

The following items reflect the amount as shown on the return (PR), and the amount as adjusted (PC), if applicable. They do not show subsequent activity on the account.

SSN: \*REDACTED\* SPOUSE SSN:  
NAME(S) SHOWN ON RETURN: DONALD W DROLET

ADDRESS: \*REDACTED\*  
RICHARDSON, TX \*REDACTED\*

FILING STATUS:	Married Filing Separate
FORM NUMBER:	1040
CYCLE POSTED:	20052108
RECEIVED DATE:	Apr. 15, 2005
REMITTANCE:	0.00
EXEMPTION NUMBER:	1
DEPENDENT 1 NAME CTRL:	



PAYER'S name, street address, city, state, ZIP code, and telephone no.  <b>*REDACTED*</b> Technologies, Inc.  Addison, TX		1 Rents \$	OMB No. 1545-0115  <b>2005</b>  Form 1099-MISC	Miscellaneous Income
		2 Royalties \$	3 Other income \$	
PAYER'S Federal identification number  02-0597315	RECIPIENT'S identification number  <b>*REDACTED*</b>	4 Federal income tax withheld \$	5 Fishing boat proceeds \$	Copy B For Recipient
RECIPIENT'S name  Donald W Drolet  Street address (including apt. no.)  <b>*REDACTED*</b>  City, state, and ZIP code  Richardson TX		6 Medical and health care payments \$	7 Nonemployee compensation \$ 6812.00	
Account number (see instructions)		8 Substate payments in lieu of dividends or interest \$	9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
		10 Crop insurance proceeds \$	11	
		12	13 Excess golden parachute payments \$	
15a Section 408A deferrals \$	15b Section 408A income \$	14 Gross proceeds paid to an attorney \$	16 State tax withheld \$	17 State/Payer's state no.
		18 State income \$	19 State income \$	

PAYER'S name, street address, city, state, ZIP code, and telephone no.

\*REDACTED\*

Carrollton, TX

PAYER'S Federal identification number

75-2358271

RECIPIENT'S identification number

\*REDACTED\*

RECIPIENT'S name, address, and ZIP code

DON DROLET

\*REDACTED\*

RICHARDSON TX 75080

Account number (see instructions)

\*REDACTED\*

## Miscellaneous Income

Department of Treasury -- IRS

<b>1</b> Rents \$	<b>2</b> Royalties \$	<b>3</b> Other income \$
<b>4</b> Fed. inc. tax withheld \$	<b>5</b> Fishing boat proceeds \$	<b>6</b> Medical and health care payments \$
<b>7</b> Nonemployee compensation \$ 24909.23	<b>8</b> Substitute payments in lieu of dividends/interest \$	<b>9</b> Payer made direct sales of \$5,000/more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>
<b>10</b> Crop insurance proceeds \$	<b>11</b>	<b>12</b>
<b>13</b> Excess golden parachute payments \$	<b>14</b> Gross proceeds paid to an attorney \$	<b>15a</b> Section 408A deferrals \$
<b>15b</b> Section 408A income . . . . .		\$
<b>16</b> State tax withheld \$	<b>17</b> State/Payer's state no.	<b>18</b> State income \$
----- \$		\$

## Copy B For Recipient (keep for your records)

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

Request Date: 08-21-2007  
 Response Date: 08-21-2007  
 IRS Employee Number: 3HSDB  
 Tracking Number: 100017840221

## Record of Account

FORM NUMBER: 1040

TAX PERIOD: Dec. 31, 2005

TAXPAYER IDENTIFICATION NUMBER: \*REDACTED\*  
 SPOUSE TAXPAYER IDENTIFICATION NUMBER: \*REDACTED\*

DONALD E DROLET  
 \*REDACTED\*  
 RICHARDSON, TX \*REDACTED\*

Any minus sign shown below signifies a credit amount.

ACCOUNT BALANCE: 0.00  
 ACCRUED INTEREST: 0.00 AS OF: May 29, 2006  
 ACCRUED PENALTY: 0.00 AS OF: May 29, 2006

ACCOUNT BALANCE  
 PLUS ACCRUALS: 0.00

\*\* EXEMPTIONS: 01 \*\* FILING STATUS: Married Filing Separate  
 \*\* ADJUSTED GROSS  
 INCOME: 0.00  
 \*\* TAXABLE INCOME: 0.00  
 TAX PER RETURN: 0.00  
 \*\* SE TAXABLE INCOME  
 TAXPAYER: 0.00  
 \*\* SE TAXABLE INCOME  
 SPOUSE: 0.00  
 \*\* TOTAL SELF  
 EMPLOYMENT TAX: 0.00

\*\* PER RETURN OR AS ADJUSTED

RETURN DUE DATE OR RETURN RECEIVED DATE (WHICHEVER IS LATER): Apr. 15, 2006

PROCESSING DATE: May 29, 2006

TRANSACTIONS				
CODE	EXPLANATION OF TRANSACTION	CYCLE	DATE	AMOUNT
150	RETURN FILED AND TAX ASSESSED 18221-125-29341-6	20062008	05-29-2006	\$0.00

DONALD E DROLET  
 \*REDACTED\*  
 RICHARDSON, TX \*REDACTED\*

SSN Provided: \*REDACTED\*  
 Tax Period Ending: Dec. 31, 2005

The following items reflect the amount as shown on the return (PR), and  
 the amount as adjusted (PC), if applicable. They do not show subsequent  
 activity on the account.

SSN: \*REDACTED\* SPOUSE SSN: \*REDACTED\*  
 NAME(S) SHOWN ON RETURN: DONALD E DROLET

ADDRESS: \*REDACTED\*  
 RICHARDSON, TX \*REDACTED\*

FILING STATUS: Married Filing Separate  
 FORM NUMBER: 1040  
 CYCLE POSTED: 20062008  
 RECEIVED DATE: Apr. 15, 2006

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no.  <b>*REDACTED*</b>  Richardson, TX ..		1 Rents \$	OMB No. 1545-0115  <b>2006</b>  Form 1099-MISC	Miscellaneous Income
		2 Royalties \$	4 Federal income tax withheld \$	
PAYER'S federal identification number  20-1071945		3 Other income \$	5 Fishing boat proceeds \$	Copy B For Recipient
RECIPIENT'S identification number  <b>*REDACTED*</b>		6 Medical and health care payments \$	7 Nonemployee compensation \$ 1440.00	
RECIPIENT'S name, address, and ZIP code  Donald W. Drolet <b>*REDACTED*</b>		8 Substitute payments in lieu of dividends or interest \$	9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
Account number (see instructions)		10 Crop insurance proceeds \$	11	
		12	13 Excess golden parachute payments \$	
		14 Gross proceeds paid to an attorney \$	15a Section 409A deferrals \$	
15b Section 409A income \$		16 State tax withheld \$	17 State/Payer's state no.	18 State income \$

PAYER'S name, street address, city, state, ZIP code, and telephone no.  <b>*REDACTED*</b> INC DALLAS, TX		1 Rents \$	OMB No. 1545-0115  <b>2006</b> Form 1099-MISC		Miscellaneous Income
		2 Royalties \$	3 Other income \$	4 Federal income tax withheld \$	
PAYER'S federal identification number 75-2796945	RECIPIENT'S identification number <b>*REDACTED*</b>	5 Fishing boat proceeds \$	6 Medical and health care payments \$		
RECIPIENT'S name, address, and ZIP code  Don Drolet  <b>*REDACTED*</b>  Richardson TX		7 Nonemployee compensation  \$ 9390.00	8 Substitute payments in lieu of dividends or interest \$		This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	10 Crop insurance proceeds \$		
Account number (see instructions)		11	12		
		13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$		
15a Section 409A deferrals \$	15b Section 409A income \$	16 State tax withheld \$	17 State/Payer's state no.	18 State income \$	

## Miscellaneous Income

PAYER'S name, street address, city, state, ZIP code, and telephone no.

\*REDACTED\*

Carrollton, TX

PAYER'S federal identification number

75-2358271

RECIPIENT'S identification number

\*REDACTED\*

RECIPIENT'S name, address, and ZIP code

DON DROLET

\*REDACTED\*

RICHARDSON TX

Account number (see instructions)

\*REDACTED\*

1 Rents \$	2 Royalties \$	3 Other income \$
4 Fed. inc. tax withheld \$	5 Fishing boat proceeds \$	6 Medical and health care payments \$
7 Nonemployee compensation \$ 22255.19	8 Substitute payments in lieu of dividends/interest \$	9 Payer made direct sales of \$5,000/more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>
10 Crop insurance proceeds \$	11	12
13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$	15a Section 409A deferrals \$
15b Section 409A income . . . . .		\$
16 State tax withheld \$	17 State/Payer's state no.	18 State income \$
-----		-----
\$		\$

## Copy B For Recipient (keep for your records)

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

Internal Revenue Service  
United States Department of the Treasury

This Product Contains Sensitive Taxpayer Data

Request Date: 10-24-2007  
Response Date: 10-24-2007  
IRS Employee Number: ZLRKB  
Tracking Number: 100019981044

Record of Account

FORM NUMBER: 1040

TAX PERIOD: Dec. 31, 2006

TAXPAYER IDENTIFICATION NUMBER: \*REDACTED\*  
SPOUSE TAXPAYER IDENTIFICATION NUMBER: \*REDACTED\*

DONALD E DROLET

\*REDACTED\*  
RICHARDSON, IA \*REDACTED\*

--- ANY MINUS SIGN SHOWN BELOW SIGNIFIES A CREDIT AMOUNT ---

ACCOUNT BALANCE: 0.00  
ACCRUED INTEREST: 0.00 AS OF: Jun. 04, 2007  
ACCRUED PENALTY: 0.00 AS OF: Jun. 04, 2007

ACCOUNT BALANCE  
PLUS ACCRUALS: 0.00

\*\* INFORMATION FROM THE RETURN OR AS ADJUSTED \*\*

EXEMPTIONS: 01 FILING STATUS: Married Filing Separate  
ADJUSTED GROSS INCOME: 0.00  
TAXABLE INCOME: 0.00  
TAX PER RETURN: 0.00  
SE TAXABLE INCOME TAXPAYER: 0.00  
SE TAXABLE INCOME SPOUSE: 0.00  
TOTAL SELF EMPLOYMENT TAX: 0.00

RETURN DUE DATE OR RETURN RECEIVED DATE (WHICHEVER IS LATER) Apr. 15, 2007  
PROCESSING DATE Jun. 04, 2007

TRANSACTIONS				
CODE	EXPLANATION OF TRANSACTION	CYCLE	DATE	AMOUNT
150	RETURN FILED AND TAX ASSESSED 18221-125-15601-7	20072108	06-04-2007	\$0.00

DONALD E DROLET

\*REDACTED\*  
RICHARDSON, IA \*REDACTED\*

SSN Provided: \*REDACTED\*  
Tax Period Ending: Dec. 31, 2006

The following items reflect the amount as shown on the return (PR), and the amount as adjusted (PC), if applicable. They do not show subsequent activity on the account.

SSN: \*REDACTED\* SPOUSE SSN: \*REDACTED\*  
NAME(S) SHOWN ON RETURN: DONALD E DROLET

ADDRESS: \*REDACTED\*  
RICHARDSON, TX \*REDACTED\*

Estimated tax savings filing the CtC ("complete, true and correct") way

-----

Prior to reading CtC, I would have filed 'conventionally' (and unwittingly agreed with the characterization of monies received as "gross income") for the years 2004 through 2006, and here are the estimates of the amounts of 'tax' that I would have mistakenly overpaid using the tables for 'married, filing separately' and Schedule SE for determining "self employment" taxes.

2004:

Alleged "gross income" as reported on 1099-MISC forms filed with the IRS = \$28,894.74  
Deductible business expenses for 2004 = approximately \$2140  
Standard 2004 tax year exemptions and deductions = \$7950  
Alleged "taxable income" calculation = \$18,804.74  
Subtitle A taxes (from 2004 tax table) = \$2466  
FICA self-employment taxes (92.35% X 15.3% of "taxable income" under \$87,900) = \$2657.03  
Total 2004 tax burden if reported earnings were gross income as alleged = \$5123.03

2005:

Alleged "gross income" as reported on 1099-MISC forms filed with the IRS = \$31,721.23  
Deductible business expenses for 2005 = approximately \$2545  
Standard 2005 tax year exemptions and deductions = \$8200  
Alleged "taxable income" calculation = \$20,976.23  
Subtitle A taxes (from 2005 tax table) = \$2781  
FICA self-employment taxes (92.35% X 15.3% of "taxable income" under \$90,000) = \$2963.85  
Total 2005 tax burden if reported earnings were gross income as alleged = \$5744.85

2006:

Alleged "gross income" as reported on 1099-MISC forms filed with the IRS = \$33,085.19  
Deductible business expenses for 2006 = approximately \$2970  
Standard 2006 tax year exemptions and deductions = \$8450  
Alleged "taxable income" calculation = \$21,665.19  
Subtitle A taxes (from 2006 tax table) = \$2874  
FICA self-employment taxes (92.35% X 15.3% of "taxable income" under \$94,200) = \$3061.19  
Total 2006 tax burden if reported earnings were gross income as alleged = \$5935.19

Total estimated tax savings for these years = \$16,803.07