

How It Works

The purpose of these steps is to exercise your rights to privacy, contract and agency and to protect yourself from financial losses due to extortion and fraud.

Purchase or obtain membership in at least one private, lawfully-income-tax-free, audit-proof organization and open a bank account for each new organization in another State (or at least, say, two hours' travel distance from your operating location). (Each is your **private, levy-proof** business bank account.)

Execute a private contract between your original business and the private organization. Pursuant to contract, write checks to the private organization from your original business and deposit them into your **private, levy-proof** business bank account, treating them as revenues for the private organization and, for example, as advertising or contract services or dues and subscriptions expenses for your original business. (Such a paper trail also makes your original business audit-proof, meaning that you will not fail an audit due solely to this contractual activity.) Also deposit revenues into your **private, levy-proof** business bank account. Spend all such deposited revenues from your **private, levy-proof** business bank account—such expenses are, both by law and by standards of practice, 100% tax-deductible regardless of purpose, and yet no income tax is due on any profits of this activity. (This is your **private, lawfully-income-tax-free, audit-proof** business.)

Deposit other revenues into your **non-private** business bank account and file an income tax return and pay any income tax due for this activity. (This is your **taxable** business.)

Results

Generating net taxable income in your own name near your personal taxable threshold and generating any other income in the name of the **private, lawfully-income-tax-free, audit-proof** business results in the least possible income tax cost to you. (Refer to the Taxable Threshold document accompanying the third session.) Following is a brief review of the benefit of a non-taxable situation and a brief review of the typical taxable situation.

Non-taxable situation:

Private, lawfully-income-tax-free, audit-proof organization and most of your business profits

No income tax return and/or business profits are not taxable to you via Schedule K-1

No tax due on profits

AND

Your original business and only some of your business profits



Reduced business profits are taxable to you via Schedule K-1

Minimal tax due or no tax due on profits reported on your personal income tax return

VERSUS:

Taxable situation:

Your original business (not operated in combination with a tax-free organization) and all of your business profits



Full business profits are taxable to you via Schedule K-1 (or Form 1040 Schedules C & SE)

Maximal tax due on profits reported on your personal income tax return

Summary

Your tax cost is simply much, much lower with the benefit of a non-taxable situation than without it. You may choose either situation, but a **lawfully-non-taxable** situation is simply better for you. Just as you may legally incorporate or organize your own state-registered business, you may obtain private membership in a private, lawfully-income-tax-free, audit-proof organization.

How to Do It

Exercise your constitutional, lawful right to privacy by **acting privately** and **keeping to yourself** such constitutional, lawful, private activities.

Exercise your constitutional, lawful right to contract by **contracting** with one or more mailbox providers, one or more banks, and one or more customers.

Exercise your constitutional, lawful right to agency by acting in **behalf** of the lawfully-income-tax-free organization, generating revenue for the organization via constitutional contracts and spending such revenue via the debit card attached to its **private, levy-proof** business bank account.