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IRS Releases 2010 Edition of Frivolous Tax Arguments

Did someone tell you that filing taxes is voluntary? That only foreign-source income is taxable? You better read about today's frivolous tax arguments.

If you're receiving tax advice that sounds otherworldly, it no doubt is.

Maybe someone finally told you that filing your income tax return and paying taxes every year are voluntary? You were a sucker all these year, filing returns and paying taxes, weren't you?

Well, no. You'd be a sucker if you followed the advice of whoever told you filing returns and paying taxes are voluntary.

That's because this claim is among the better-known frivolous tax arguments — the claims people make to the IRS and in U.S. Tax Court as a way to avoid paying taxes.

None of these arguments is backed by Constitutional law or case law in any way, and these arguments are regularly struck down in U.S. Tax Court and, in some cases, result in prison for those who make such arguments.

Yet, again and again, year after year, U.S. taxpayers come to the government with these wild, otherworldly claims.

For that reason, the IRS released its 2010 edition of the most frequently used frivolous tax arguments. Among them:

1.) Filing a tax return is voluntary: Proponents of this argument point to use of the word voluntary on an IRS form and in a U.S. Supreme Court decision that stated "taxation is based upon voluntary assessment and payment, not upon distraint." But voluntary in these cases refers to taxpayer's initial ability to determine the correct amount of their taxation. Legally, anyone who has received more than a statutorily determined amount of gross income is obligated to file a return and pay taxes.

2.) Payment of tax is voluntary: Using a similar argument as above, proponents say the payment of taxes is also voluntary. The Internal Revenue Code clearly disputes that argument, making it clear that paying taxes is not voluntary.

3.) Taxpayers can reduce tax liability by filing a "zero return": In this case, taxpayers show their income as "\$0" and employ one in a series of frivolous arguments to support the claim that none of their income is taxable.

4.) The IRS must prepare a tax return for anyone who fails to file: Everyone is required to file. Period. Those who cite this argument refer to a legal mechanism that allows the IRS to determine a taxpayer's income and tax liability in the event the taxpayer does not file.

5.) Compliance with an administrative summons issued by the IRS is voluntary: This is patently false. The IRS has been statutorily authorized to inquire about any person who may be liable to pay revenue taxes, and U.S. District Courts can enforce, and have enforced, IRS summonses.

The deadline to file your 2009 personal income tax returns is approaching quickly.

Be sure you don't fall victim to a huckster pushing one of today's many frivolous tax arguments.

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