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FINANCE  
BUDGET  
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# United States Senate

WASHINGTON, DC 20510-3403

April 17, 2002

Roy Neset  
6853 102nd Avenue NW  
Tioga, ND 58852-9406

Dear Roy:

Thank you for contacting me with your comments regarding the federal income tax.

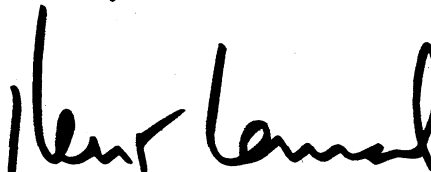
For years, some people have tried to argue that the federal income tax system is unconstitutional or, otherwise, so legally flawed that it is unenforceable. However, whenever these arguments have been presented in a competent legal forum, the income tax has been upheld.

On April 11, the Senate Finance Committee held a hearing to discuss the growing problem of promoters who purport to reveal (for a price, of course) secret knowledge about the tax law that will prevent someone from having to pay federal income taxes. What we learned at that hearing is that these promoters generally dredge up old, discredited legal arguments and pass them off as newly discovered facets of the law. Among our witnesses was a victim of one of the schemes, who told the committee that he learned – after he was indicted for tax evasion – that all of the legal arguments based on the “secret knowledge” provided by the promoter had been rejected repeatedly by courts at all levels. I am enclosing a summary of the legal status of the most common tax protestor arguments for your information.

The transcripts of all the testimony offered at the hearing can be found on the Internet at <http://finance.senate.gov>. In your letter, you requested a Congressional hearing in which the Internal Revenue Service (IRS) and the Department of Justice (DOJ) address the question of the constitutionality of the federal income tax. I would direct your attention specifically to the testimonies offered at the April 11 hearing by IRS Commissioner Charles Rossotti and DOJ Tax Division Chief Ronald Cimino.

Thank you again, Roy, for contacting me.

Sincerely,



KENT CONRAD  
United States Senate

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Enclosure