

Statement & Claim to IRS Dan Meador

In order to recover sums erroneously paid under the guise of federal income and employment taxes, or resolve controversy where the Internal Revenue Service has made a liability claim for income and employment taxes (Subtitles A, B & C of the Internal Revenue Code), it is necessary to submit a claim or counter-claim. Therefore, in the event responsible Internal Revenue Service personnel do not comply with statutory and regulatory requirements within thirty days after you have initiated inquiries, responded with collateral challenges and/or initiated discovery, we will prepare statement and claim documents for you. Where there are existing controversies with the Internal Revenue Service, the statement and claim serves as a counter-claim.

Statement and claim documents we've developed follow guidelines of IRS-furnished returns. However, our "informal claim" incorporates what amounts to a worksheet section that identifies income sources and thereby reflects what items of income are and aren't subject to federal income and employment taxes. Domestic and foreign sources are segregated in compliance with 26 CFR § 1.861-1(a) instructions. Refer to 26 CFR § 1.861-8(a)(4) for statutory groupings and 26 CFR § 1.861-8T(d)(2)(iii) for items not excluded from specific sources.

The statement and claim we prepare is submitted in lieu of commonly used returns as no return will be designated in response to your request for a status determination letter (26 CFR § 601.201). The only currently valid OMB number requiring returns (OMB number for 26 CFR § 1.6091-3) relates to foreign-earned income. Paperwork Reduction Act and Privacy Act notices are not sufficiently clear to determine what return you are required to file. Therefore, the statement and claim we prepare is justified by the "informal claim doctrine." See *United States v. Kales*, 314 U.S. 186, 194 (1941); *United States v. Memphis Cotton Oil Co.*, 288 U.S. 62, 73 (1933); and *United States v. Felt & Tarrant Mfg. Co.*, 283 U.S. 269 (1931). Also, ". . . no affirmative waiver of the regulations by the Service is required for an informal claim." *Mills v. United States*, 890 F. 2d 1133 (11th Cir., 1997), on remand, 1990 U.S. Dist. LEXIS 12970 (Sept. 21, 1990). See also, Internal Revenue Service memorandum Number 199933017, GL-104046-99 (8/20/99), pp. 6-8. Instructions for the Form 1040 return acknowledge validity of alternative claims.

You and/or businesses and trusts (juristic entities) you have interest in will likely be in one or more of the following circumstances:

1. You and/or whatever juristic entities you have interest in have regularly filed returns and do not have current controversy with the Internal Revenue Service;
2. You and/or whatever juristic entities you have interest in have regularly filed returns and do have current controversy with the Internal Revenue Service;
3. You and/or whatever juristic entities you have interest in have not filed returns for certain years and do not currently have dealings with the Internal Revenue Service;
4. You and/or whatever juristic entities you have interest in have not filed returns for

certain years and are now being subjected to Internal Revenue Service investigation, examination or collection initiatives;

5. You and/or whatever juristic entities you have interest in did not file returns for certain years, but as part of the investigation and examination process, Internal Revenue Service personnel have allegedly prepared substitute returns;
6. Government agencies have no way of knowing the amount of earnings and other income you and/or juristic entities you have an interest in generated except what you reported or by way of secondary evidence secured from third parties such as financial institutions;
7. At least some of the income you and/or juristic entities you have interest in was reported to state and federal tax agencies by way of W-2, 1099 or some other third-party report;
8. You and/or whatever juristic entities you have interest in had income and employment taxes withheld at the source, or you voluntarily paid income and employment taxes for the year or years at issue;
9. You and/or whatever juristic entities you have interest in have been subjected to administrative collection of allegedly delinquent tax debts by way of offer in compromise, installment payment agreement, administrative “notice of levy” against wages, bank accounts or other financial assets, or administrative seizure of real and/or personal property;
10. The Internal Revenue Service has initiated a civil action against you and/or juristic entities to foreclose an administratively executed notice of lien;
11. The Internal Revenue Service has secured a civil judgment against you and/or juristic entities to foreclose an administratively executed notice of lien;
12. You are contemplating or have resorted to bankruptcy in order to challenge or minimize and discharge alleged federal tax liabilities.

We believe we can assist people who are in any of these circumstances. The service we provide will depend on objectives you state when completing our client questionnaire.

Most of our existing clients have already requested status determination letters, issued protest and rebuttal letters to IRS personnel involved in investigation, examination and collection activity, and initiated discovery by requesting documents, records and other items from disclosure offices and whatever officer or agent is responsible for the administrative initiative. When IRS personnel responsible for performing a duty fail to make significant responses required by the Internal Revenue Code, Treasury regulations and published policy within thirty days after receiving a response or request, the client is technically eligible for protection under a Taxpayer Assistance Order (See 26 U.S.C. § 7811(a)(2)(B)). We interpret the noncompliance default as an indication that a “case or controversy” is ripe for a counter-claim.

Where clients have already submitted rebuttal replies, requested status determination letters and initiated discovery, we will prepare statements and claims as soon as we have financial information and documents. We will construct preliminary documents for new clients based on responses in completed client questionnaires, but in order to timely prepare statements and claims in the event of IRS default, we would like for new clients to provide

us with financial information and documents at the onset.

Clients who haven't completed our questionnaire and submitted requests for status determination letters, etc., since January 2001 should complete a new questionnaire. We will review documents previously submitted then determine whether or not the client should submit rebuttal and discovery documents again. In the event clients are no longer having difficulties with IRS, determination of whether or not to submit statements and claims should be based on whether or not income and employment taxes have been paid on "domestic" income and whether or not you would like to attempt recovery of previous payments and/or exactions (garnishment, seizure, etc.).

In the event you and/or juristic entities you are involved with have filed returns, we need copies of returns and support documents such as W-2, 1099 and other third-party reports. Copies of these documents should be attached to the statement and claim for each year at issue. In the event returns have not been filed, we still need copies of third-party reports for years at issue.

Additionally, we need a breakdown of "income" figures for each year at issue. You should separately compile income totals derived from "domestic" sources (sources within States of the Union) and "foreign" sources (foreign countries, insular possessions of the United States and international trade).

If you do not have and cannot compile precise figures, specify that figures are approximated from memory and incomplete records.

You do not need to list dependents and itemize deductions unless you received significant amounts of income from foreign sources. Allocation and apportionment rules for credits and deductions are published in 26 CFR §§ 1.861-8(a)(2), 1.861-8(f)(1)(i) & 1.861-8T(d)(2)(iii).

If you need assistance with compiling financial information, consult an accountant in your area or we will be happy to recommend one. We do not have an accountant on staff.

Information we need is broken down by category following this narrative. If more than one year is at issue, copy and paste the applicable form on successive pages for each year and provide the appropriate information for each year.

Liability for state income taxes is predicated on liability for Subtitle A federal income taxes. If necessary, we will construct statements and claims for state income taxes, too, but would prefer to resolve federal issues first unless there is existing controversy with a state tax agency.

We prefer not to rely on hand-written information so this document will be transmitted in electronic format as an email attachment or included with hard copy on a floppy disk. All files are in Microsoft Word Rich Text Format (RTF). RTF files can be accessed through most Windows and Macintosh word processing programs. If you do not have a computer or do not have a word processing program that will open RFT files, please seek assistance of a family member or friend who has Microsoft Word, WordPerfect or the

Lotus word processing program on his or her computer. Once completed, the files should be saved as RTF files and returned via email or on floppy disk. If returned by mail, send printed hard copy plus files saved to floppy disk.

Send via email to dmc@poncacity.net, with “Attention Mark” in the subject line. Copies of returns, third-party reports such as the W-2, 1099, etc., should be sent via post to our post office box or to the street delivery address via private carrier. In the event documents are sent via FAX, you will have to replace FAX copies in statement and return packages with clear photocopies of original documents prior to mailing the packages to IRS. Originals scanned into PDF files can be included in statement and claim packages.

Retain original documents for your files. Send clear photocopies or scanned PDF copies to us.

Providing information and documents in the manner we request will save us time and you money and will help with accuracy of documents we prepare. As time permits, we will try to answer whatever questions you have.

Personal information you provide is confidential. We cannot share financial and tax information with third parties without written consent or unless compelled to produce it by order of a court of competent jurisdiction.

Regards – Dan Meador

Individual Income Information

Information should be provided for each year at issue. Enter the proper name(s), identification number(s), year, and where applicable, replace zeroes in the columns on the right with income figures. Loss figures should be in parenthesis, e.g., a \$1,000 lost on stock investments should be recorded as (1,000.00). Copy and paste this form on successive pages for each year at issue.

I. Identification Information

John Doe	SSN 555-55-555
Jane Doe	SSN 444-44-444
44 Honeymoon Lane	
Valentine, Oklahoma 77777	

II. Sources & Amounts of Earnings/Income (Calendar Year ____)

Type				Domestic	Foreign
1.	Compensation for labor/services from private enterprise		0.00	0.00	
2.	Government wages (26 U.S.C. § 3401(a))	0.00	0.00		
3.	Interest, except from municipal & other tax exempt bonds		0.00	0.00	
4.	Investment dividends (all types)	0.00	0.00		
5.	Alimony received	0.00	0.00		
6.	Business earnings (or loss)	0.00	0.00		
7.	Capital gains (or loss)	0.00	0.00		
8.	IRA distributions	0.00	0.00		
9.	Pensions and annuities	0.00	0.00		
10.	Rents, royalties, partnerships, trust, S corporations, etc.		0.00	0.00	
11.	Farm earnings (loss)	0.00	0.00		
12.	Unemployment compensation	0.00	0.00		
13.	Social Security benefits	0.00	0.00		
14.	State Tax refund	0.00	0.00		
15.	Activity subject to Subtitle D taxing authority	0.00	0.00		
16.	Activity subject to Subtitle E regulation & taxation	0.00	0.00		
17.	Production and/or distribution of controlled substances		0.00	0.00	
18.	Other income:				
18a.	Form 2555 Exclusion (deducted from gross income)	N/A	(0.00)		
18b.		0.00	0.00		
Gross Income Totals				0.00	0.00

III. Tax Withholding & Payments

1.	Federal income tax paid/withheld (W-2/1099)	0.00			
2.	Social Security tax paid/withheld	0.00			
3.	Medicare tax paid/withheld	0.00			
4.	Interest on delinquent tax	0.00			
5.	Penalties	0.00			
Total					0.00
1.	State income tax paid	0.00			
2.	Local income tax paid (municipal/county)	0.00			
Total					0.00

Business Income Information

Information should be provided for each year at issue. Enter the proper name(s), identification number(s), year, and where applicable, replace zeroes in the columns on the right with income figures. Loss figures should be in parenthesis, e.g., a \$1,000 lost on stock investments should be recorded as (1,000.00). Copy and paste this form on successive pages for each year at issue.

I. Identification Information

ABC Company
34 Heartache Avenue
Valentine, Oklahoma 77777

TIN 77-7777777

John Doe, President

II. Sources & Amounts of Earnings/Income

Type				Domestic	Foreign
1.	Gross profits	0.00	0.00		
	(gross receipts minus returns & allowances, less cost of goods sold)				
2.	Investment dividends (all types)	0.00	0.00		
3.	Interest, except from municipal & other tax exempt bonds	0.00	0.00		
4.	Rents & royalties	0.00	0.00		
5.	Capital gains (or loss)	0.00	0.00		
6.	Farm earnings (loss)	0.00	0.00		
7.	Income subject to Subtitle D taxing authority	0.00	0.00		
8.	Income subject to Subtitle E regulation & taxation	0.00	0.00		
9.	Income from production/distribution of controlled substances	0.00	0.00		
10.	Other Income:				
	10a.			0.00	0.00
	10b			0.00	0.00
	Gross Income Totals			0.00	0.00

III. Tax Payments

1.	Federal income tax paid (1099 and/or direct payment)	0.00			
2.	Interest on delinquent tax	0.00			
3.	Penalties	0.00			
	Total				0.00
1.	State income tax paid	0.00			
2.	Local income tax paid (municipal/county)	0.00			
	Total				0.00

Trust & Estate Income Information

Information should be provided for each year at issue. Enter the proper name(s), identification number(s), year, and where applicable, replace zeroes in the columns on the right with income figures. Loss figures should be in parenthesis, e.g., a \$1,000 lost on stock investments should be recorded as (1,000.00). Copy and paste this form on successive pages for each year at issue.

I. Identification Information

Heartache Hotel Asset Management Trust
14 Blue Moon Lane
Valentine, Oklahoma 77777

TIN 88-8888888

John Doe, Trustee & Chief Financial Officer

III. Sources & Amounts of Earnings/Income

Type			Domestic	Foreign
1.	Interest, except from municipal & other tax exempt bonds		100.00	0.00
2.	Investment dividends, all types (or loss)	0.00	0.00	
3.	Non-farm business income (or loss)	0.00	0.00	
4.	Capital gains (or loss)	0.00	0.00	
5.	Rents, royalties, partnerships, etc. (or loss)	0.00	0.00	
6.	Farm earnings (loss)	0.00	0.00	
7.	Ordinary gain (loss)			
8.	Income subject to Subtitle D taxing authority	0.00	0.00	
9.	Income subject to Subtitle E regulation & taxation	0.00	0.00	
10.	Income from production/distribution of controlled substances	0.00	0.00	
11.	Other Income:			
a.		0.00	0.00	
b.		0.00	0.00	
Gross Income Totals			0.00	0.00

V. Tax Withholding & Payments

1.	Federal income tax paid (1099 and/or direct payment)	2,000.00		
2.	Interest on delinquent tax	0.00		
3.	Penalties	0.00		
Total				0.00
1.	State income tax paid	0.00		
2.	Local income tax paid (municipal/county)	0.00		
Total				0.00