



NATIONAL DIRECTOR
FOR LEGISLATIVE
AFFAIRS

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

July 31, 2001

The Honorable Richard Shelby
United States Senate
Washington, D.C. 20510

Attention: Allen Fuller

Dear Senator Shelby:

I am responding to your letter dated July 18, 2001, on behalf of several of your constituents who wrote about Robert Schulz and the constitutionality of the Federal tax law. A public debate has already occurred in Federal courts throughout the United States and the result has been stated loudly and clearly: the Federal tax system is constitutional.

As the courts have uniformly held, all citizens must comply with the requirements to file returns and pay taxes. Fortunately, the vast majority of Americans recognize their civic duty and voluntarily comply with their tax filing obligation. Taxpayers who fail to file income tax returns and pay taxes pose a serious threat to tax administration and the American economy. Their actions undermine public confidence in the Internal Revenue Service's ability to administer the tax laws fairly and effectively.

Since ratification of the 16th Amendment to the Constitution, giving the Congress the power "to lay and collect taxes on incomes," some citizens have argued that it was not properly ratified and income taxes are illegal. Unfortunately, some citizens continue to raise such arguments in spite of the fact that they have no basis in law, and the courts have repeatedly rejected their arguments as frivolous.

I have enclosed a recently revised Congressional Research Service Report titled *Frequently Asked Questions Concerning the Federal Income Tax*. You may want to share this report with your constituents as it answers most, if not all, of the questions raised concerning the constitutionality of the Federal tax law. Please call me at (202) 622-3730, if I can be of further assistance.

Sincerely,

A handwritten signature in cursive script, appearing to read "Floyd L. Williams".

Floyd L. Williams

Enclosure