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## Lawyerdude shreds the Buck Act Stupidity Perpetrated by Richard McDonald and Mitch Modaleski.

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## Lawyerdude's analysis and condemnation.

This essay by Rich and Mitch exposes them as idiots, non-lawyers, and poor writers. Their crackpot theory is base on non-sequitur. Here is a clue: In a well written brief, the writer not only cites the case, but says what the case is about and how it pertains to the case at hand. Often he will quote a sentence or a paragraph from the case. The lazy writer, like Mitch and Rich here, merely cites the case and wants you to run out and look it up.

### Cases Cited herein by Rich and Mitch. None of them are pertinent to the subject at hand:

American Banana Co. v. United Fruit Co. (1909), 213 U.S. 347, 356-357 ; The American Banana case is about an American company suing conspirators in an American court. The conspirators worked with the Costa Rican government and therefore the tort was not a tort there. This case must be interpreted in the light of history. The political fruit companies enjoyed advantages that would be considered illegal by today's more enlightened mores. The big picture is that Mitch and Rich should have give us a freakin case on point. . . . . [Page 9 of 12](#)

Howard v. Commissioners of Sinking Fund of Louisville (1953) 344 U.S. 624, 73 S.Ct. 465, 476, 97 Lawyer's Edition, page 617. Justice Douglas dissents. Justice Black agrees with the dissent of Justice "I have not been able to follow the argument that this tax is an "income tax" within the meaning of the Buck Act. It is by its terms a "license fee" levied on "the privilege" of engaging in certain activities. The tax is narrowly confined to salaries, wages, commissions and to the net profits of businesses, professions, and occupations. Many kinds of income are excluded, e. g., dividends, interest, capital gains. The exclusions emphasize that the tax is on the privilege of working or doing business in Louisville. That is the kind of a tax the Kentucky Court of Appeals held it to be. Louisville v. Sebree, 308 Ky. 420, 214 S. W. 2d 248. The **Congress has not yet granted local authorities the right to tax the privilege of working for or doing business with the United States**" . . . . . [Page 9 of 12](#)

Humble Oil & Refining Co. v. Calvert, 464 SW 2d. 170 (1971) No kind of case to base a theory on. . . . . [Page 6 of 12](#)

*New York Central R.R. Co. v. Chisholm* (1925) Despite the wording of the federal Tort Liability law it was found insufficient to be of use regarding a case where a railroad worker was killed 30 miles into Canada. This case is obsolete. . . . . [Page 9 of 12](#)

*Schwartz v. O'Hara TP. School Dist.*, 100 A. 2d. 621, 625, 375 Pa. 440. . . . . [Page 10 of 12](#)

**Springfield v. Kenny**, 104 N.E. 2d 65 (1951 App.) Another weak case. . . . . [Page 7 of 12](#)

U.S. v. Spelar(1949) 338 U.S. 217, 222, 94 L. Ed. 3, 70 S.Ct. 10 (1949); The Spelar case does NOT support any constitutional construction. Spelar is about interpretation of a statute. Had the statute been worded differently the statute could have embraced torts beyond the boundaries of the United States. Rich and Mitch were wrong to rely on it. They once again demonstrate their incompetence.  
..... [Page 9 of 12](#)

Wheeling Steel Corp. v. Fox (1936) 298 U.S. 193, 80 L Ed 1143, 56 S.Ct. 773. This is a case that says that states may tax corporate income even if it was earned out of the state. Mitch's stupid wrong conclusion: Therefore, all U.S. citizens [i.e. citizens of the District of Columbia] residing in one of the states of the Union, are classified as property, as franchisees of the federal government, and as an "individual entity". . . . . [Page 7 of 12](#)

**Regulations cited herein:**

31 C.F.R. Parts 51.2 and 52.2, which also identify a fictional State within a state . . . . . [Page 10 of 12](#)

**Statutes cited herein:**

Buck Act: 4 U.S.C. 105-110, known as the Buck Act. Section 106 of this Act reads as follows:

" 106. Same; income tax.

"(a) No person shall be relieved from liability for any income tax levied by any State, or by any duly constituted taxing authority therein, having jurisdiction to levy such a tax, by reason of his residing within a Federal area or receiving income from transactions occurring or services performed in such area; and such State or taxing authority shall have full jurisdiction and power to levy and collect such tax in any Federal area within such State to the same extent and with the same effect as though such area was not a Federal area.

"(b) The provisions of subsection (a) shall be applicable only with respect to income or receipts received after December 31, 1940." 4 U.S.C. (Supp. V) 106.

Section 110 (c) defines "income tax" as follows:

"(c) The term 'income tax' means any tax levied on, with respect to, or measured by, net income, gross income, or gross receipts." 4 U.S.C. (Supp. V) 110 (c). . . . . [Page 10 of 12](#)

Public Salary Tax Act of 1939 . . . . . [Page 10 of 12](#)

**Constitutional clauses cited by Rich and Mitch herein:**

Constitution, Article 1, Section 8, Clause 17 says: To exercise exclusive legislation in all cases whatsoever, over such District (not exceeding ten miles square) as may, by cession of particular states, and the acceptance of Congress, become the seat of the government of the United States, and to exercise like authority over all places purchased by the consent of the legislature of the state in which the same shall be, for the erection of forts, magazines, arsenals, dockyards, and other needful buildings;--And To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the government of the United States, or in any department or officer thereof.  
..... [Page 3 of 12](#)

Constitution: Art 4:Sect 3:Clause 2 says: The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; and nothing in this Constitution shall be so construed as to prejudice any claims of the United States, or of any particular state. . . . . [Page 3 of 12](#)

THE STORY OF THE BUCK ACT by Richard McDonald edited by Mitch Modeleski

**Here are the words of Richard McDonald in this left column - which column gets undone in html.**

Richard McDonald begins (stupidly) In order for you to understand the full import of what is happening, I must explain certain laws to you.

When passing new statutes, the Federal government always does everything according to the principles of law.

In order for the Federal Government to tax a Citizen of one of the several states, they had to create some sort of contractual nexus.

This contractual nexus is the "Social Security Number".

In 1935, the federal government instituted Social Security. The Social Security Board then created 10 Social Security "Districts".

The combination of these "Districts" resulted in a "Federal area" which covered all the several states like a clear plastic overlay.

In 1939, the federal government instituted the "Public Salary Tax Act of 1939".

This Act is a municipal law of the District of Columbia for taxing all federal and state government employees and those who live and work in any "Federal area".

**Here is the critique by Attorney Douglas Palaschak**

Just make your point.

Lawyerdude says: Absolutely not true.

Lawyerdude says: Not true.

Lawyerdude says: No! You don't give up your rights by getting a social security number. The only contract here is the social contract and that is merely a term of art.

Lawyerdude says: No! Non sequitur!

Now, the government knows it cannot tax those state Citizens who live and work outside the territorial jurisdiction of Article 1, Section 8, Clause 17 (1:8:17) or Article 4, Section 3, Clause 2 (4:3:2) in the U.S. Constitution.

Lawyerdude says: Article 1, Section 8, Clause 17 says: To exercise exclusive legislation in all cases whatsoever, over such District (not exceeding ten miles square) as may, by cession of particular states, and the acceptance of Congress, become the seat of the government of the United States, and to exercise like authority over all places purchased by the consent of the legislature of the state in which the same shall be, for the erection of forts, magazines, arsenals, dockyards, and other needful buildings;--And To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the government of the United States, or in any department or officer thereof.

Art 4:Sect 3:Clause 2 says: The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; and nothing in this Constitution shall be so construed as to prejudice any claims of the United States, or of any particular state.

So, in 1940, Congress passed the "Buck Act", 4 U.S.C.S. Sections 105-113. In Section 110(e), this Act authorized any department of the federal government to create a "Federal area" for imposition of the "Public Salary Tax Act of 1939".

Lawyerdude says: Nope: The Buck Act merely permitted states to tax federal enclaves - to curb their sovereignty. You will notice that Rich and Mitch told you that they would "tell you the meaning of certain laws" but they are too freakin lazy to cite the law as I have done here:

Lawyerdude says: 4 U.S.C. 105-110, known as the Buck Act. Section 106 of this Act reads as follows:

" 106. Same; income tax.

"(a) No person shall be relieved from liability for any income tax levied by any State, or by any duly constituted taxing authority therein, having jurisdiction to levy such a tax, by reason of his residing within a Federal area or receiving income from transactions occurring or services performed in such area; and such State or taxing authority shall have full jurisdiction and power to levy and collect such tax in any Federal area within such State to the same extent and with the same effect as though such area was not a Federal area.

"(b) The provisions of subsection (a) shall be applicable only with respect to income or receipts received after December 31, 1940." 4 U.S.C. (Supp. V) 106.

Section 110 (c) defines "income tax" as follows:

"(c) The term 'income tax' means any tax levied on, with respect to, or measured by, net income, gross income, or gross receipts." 4 U.S.C. (Supp. V) 110 (c).

This tax is imposed at 4 U.S.C.S. Sec. 111.

The rest of the taxing law is found in the Internal Revenue Code.

The Social Security Board had already created a "Federal area" overlay. 4 U.S.C.S. Sec. 110(d).

Lawyerdude says : Nope. The social security act did not create a federal enclave. Mitch and Rich don't even know this important word.

The term "State" includes any Territory or possession of the United States. 4 U.S.C.S. Sec. 110(e).

Lawyerdude says: Only for some limited purposes.

The term "Federal area" means any lands or premises held or acquired by or for the use of the United States or any department, establishment, or agency of the United States; and any Federal area, or any part thereof, which is located within the exterior boundaries of any State, shall be deemed to be a Federal area located within such State.

Lawyerdude says: The better term is "federal enclave" but that is beyond the vocabulary of Rich and Mitch and that alone proves their incompetence to write on the subject of federal enclaves.

There is no reasonable doubt that the federal "State" is imposing an excise tax under the provisions of 4 U.S.C.S. Section 105, which states in pertinent part: Sec. 105. State, and so forth, taxation affecting Federal areas; sales or use tax (a) No person shall be relieved from liability for payment of, collection of, or accounting for any sales or use tax levied by any State, or by any duly constituted taxing authority therein, having jurisdiction to levy such tax, on the ground that the sale or use, with respect to which such tax is levied, occurred in whole or in part within a Federal area; and such State or taxing authority shall have full jurisdiction and power to levy and collect any such tax in any Federal area within such State to the same extent and with the same effect as though such area was not a Federal area.

Lawyerdude says: there is no federal state. There is a federal enclave within a state. They share jurisdiction. There is even triple or quadruple jurisdiction. Example: you may be in the jurisdiction of the federal court for the central district, the federal appeals court for the 9<sup>th</sup> circuit, the state court of appeal for the 2<sup>nd</sup> district and the water and sewage district for the greater Antelope Valley.

Irrespective of what the tax is called, if its purpose is to produce revenue, it is an income tax or a receipts tax under the Buck Act [4 USC 105-110]. **Humble Oil & Refining Co. v. Calvert**, 464 SW 2d. 170 (1971), affirmed (Tex) 478 SW 2d. 926, cert. den. 409 U.S. 967, 34 L Ed . 2d. 234, 93 S.Ct. 293.

Thus, the obvious question arises: What is a "Federal area"?

A "Federal area" is any area designated by any agency, department, or establishment of the federal government.

This includes the Social Security areas designated by the Social Security Administration,

any public housing area that has federal funding,

a home that has a federal bank loan,

a road that has federal funding,

and almost everything that the federal government touches through any type of aid. **Springfield v. Kenny**, 104 N.E. 2d 65 (1951 App.).

This "Federal area" attaches to anyone who has a Social Security Number or any personal contact with the federal or state governments.

Lawyerdude says: This is ludicrous. People are mobile - not "areas".

Through this mechanism, the federal government usurped the Sovereignty of the People, as well as the Sovereignty of the several states,

Lawyerdude says: No. Mitch is the one who imagines this usurpation.

by creating "Federal areas" within the boundaries of the states under the authority of Article 4, Section 3, Clause 2 (4:3:2) in the federal Constitution, which states: 2. The Congress shall have Power to dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States, and nothing in this Constitution shall be so construed as to prejudice any claims of the United States, or of any particular State.

Therefore, all U.S. citizens [i.e. citizens of the District of Columbia] residing in one of the states of the Union, are classified as property,

Lawyerdude says: This is pure lunacy pulled out of the air. Observe that there is no substantiation for this statement.

as franchisees of the federal government, and as an "individual entity". See **Wheeling Steel Corp. v. Fox**, 298 U.S. 193, 80 L.Ed. 1143, 56 S.Ct. 773.

Lawyerdude says: Wheeling says nothing of the sort. Wheeling is a dispute about whether a state may tax a corporation for income earned outside the state. Answer: Yes it can according to this old 1936 case but later cases hold that apportionment must happen. This is obvious from logic. If several states tax the same money then the company kinda gets taxed out of existence - and such a policy of multiple taxing would discourage a corporation from doing business in other states - kinda like the state bar does to lawyers by locking them into one state.

Under the "Buck Act", 4 USC 105-113, the federal government has created a "Federal area" within the boundaries of all the several states.

Lawyerdude says: No. The buck act merely attempts to preserve the state's ability to tax all the people in the district so as to be able to maintain the infrastructure that serves the federal enclave. Observe that Rich and Mitch don't yet know the work "enclave"

This area is similar to any territory that the federal government acquires through purchase, conquest or treaty, thereby imposing federal territorial law upon all people in this "Federal area".

Lawyerdude says: Nope. One is a boundary of a political district. The other is actual ownership of the land by the federal government.

Federal territorial law is evidenced by the Executive Branch's yellow-fringed U.S. flag flying in schools, offices and all courtrooms.

Lawyerdude says: The fringe of importance here is the lunatic fringe.

You must live on land in one of the states in the Union of several states, not in any "Federal State" or "Federal area", nor can you be involved in any activity that would make you subject to "federal laws".

Lawyerdude says : Okay, we have half a thought here. I think what he is trying to say is that you must do these things in order to avoid becoming a federal citizen which Rich mistakenly concludes is a trigger to losing your state rights.

You cannot have a valid Social Security Number, a "resident" driver's license, a motor vehicle registered in your name, a "federal" bank account, a Federal Register Account Number relating to Individual persons [SSN],

Lawyerdude says: Or what? You lose your rights and become federal property by contract. Absolutely wrong. Lunacy.

(see Executive Order Number 9397, November 1943), or any other known "contract implied in fact" that would place you within any "Federal area" and thus within the territorial jurisdiction of the municipal laws of Congress.

Lawyerdude says: The "municipal laws" of congress. Hmm. These guys should read some law books and get with the vocabulary program.

Remember, all acts of Congress are territorial in nature and only apply within the territorial jurisdiction of Congress.

Lawyerdude says: Absolutely not true. Only SOME acts of Congress are territorial in nature. The cases that you cited were based on laws that specified a certain territory. Congress could easily have chosen to make them extraterritorial although that would have raised the issue. There is the issue of territoriality but these cases cited by Rich and Mitch don't make the point.

**See American Banana Co. v. United Fruit Co.**, 213 U.S. 347, 356-357 (1909);

**U.S. v. Spelar**, 338 U.S. 217, 222, 94 L ED . 3, 70 S.Ct. 10 (1949);

**New York Central R.R. Co. v. Chisholm** (1925), 268 U.S. 29, 31-32, 69 L ED . 828, 45 S.Ct. 402 (1925.)

Lawyerdude says: Their cases do not prove their point. The American Banana case is about an American company suing conspirators in an American court. The conspirators worked with the Costa Rican government and therefore the tort was not a tort there. This case must be interpreted in the light of history. The political fruit companies enjoyed advantages that would be considered illegal by today's more enlightened mores. The big picture is that Mitch and Rich should have give us a freakin case on point.

The Spelar case does NOT support any constitutional construction. Spelar is about interpretation of a statute. Had the statute been worded differently the statute could have embraced torts beyond the boundaries of the United States. Rich and Mitch were wrong to rely on it. They once again demonstrate their incompetence.

New York R.R. v Chisholm held that the mere wording of the wording of the federal Tort Liability law precluded it's applicability regarding a case where a railroad worker was killed 30 miles into Canada. This case is obsolete and does not support the proposition for which it is cited by Rich and Mitch.

There has been created a fictional Federal "State within a state". See **Howard v. Sinking Fund of Louisville**, 344 U.S. 624, 73 S.Ct. 465, 476, 97 L ED . 617 (1953);

Lawyerdude says: MR. JUSTICE DOUGLAS, with whom MR. JUSTICE BLACK concurs, dissenting. "I have not been able to follow the argument that this tax is an "income tax" within the meaning of the Buck Act. It is by its terms a "license fee" levied on "the privilege" of engaging in certain activities. The tax is narrowly confined to salaries, wages, commissions and to the net profits of businesses, professions, and occupations. Many kinds of income are excluded, e. g., dividends, interest, capital gains. The exclusions emphasize that the tax is on the privilege of working or doing business in Louisville. That is the kind of a tax the Kentucky Court of Appeals held it to be. Louisville v. Sebree, 308 Ky. 420, 214 S. W. 2d 248. The Congress has not yet granted local authorities the right to tax the privilege of working for or doing business with the United States."

**Schwartz v. O'Hara TP. School Dist.**, 100 A. 2d. 621, 625, 375 Pa. 440.

Compare also 31 C.F.R. Parts 51.2 and 52.2, which also identify a fictional State within a state.)

This fictional "State" is identified by the use of two-letter abbreviations like "CA", "AZ" and "TX", as distinguished from the authorized abbreviations like "Calif.", "Ariz." and "Tex.", etc.

This fictional State also uses ZIP codes which are within the municipal, exclusive legislative jurisdiction of Congress.

This entire scheme was accomplished by passage of the "Buck Act", 4 USC 105-113, to implement the application of the "Public Salary Tax Act of 1939" to workers within the private sector.

This subjects all private sector workers who have a Social Security number to all state and federal laws "within this State", a "fictional Federal area" overlaying the land in California and in all other states in the Union.

In California, this is established by California Form 590, Revenue and Taxation. All you have to do is to state that you live in California. This establishes that you do not live in a "Federal area" and that you are exempt from the Public Salary Tax Act of 1939 and also from the California Income Tax for residents who live "in this State".

Lawyerdude comments: How stupid!

Says Lawyerdude: This is where the credibility goes out the freakin window.

Lawyerdude says: Nope. Wrong. There is no substantiation for this stupid conclusion.

Lawyerdude says: Lets here more about this form.

The following definition is used throughout the several states in the application of their municipal laws which require some sort of contract for proper application. This definition is also included in all the codes of California, Nevada, Arizona, Utah and New York: "In this State" or "in the State" means within the exterior limits of the State ... and includes all territories within such limits owned or ceded to the United States of America.

Lawyerdude says: Yup. This is consistent with the Buck Act and the act that permits local laws to exist in federal enclaves.

This definition concurs with the "Buck Act" supra which states: 110(d) The term "State" includes any Territory or possession of the United States. 110(e) The term "Federal area" means any lands or premises held or acquired by or for the use of the United States or any department, establishment, or agency of the United States; and any Federal area, or any part thereof, which is located within the exterior boundaries of any State, shall be deemed to be a Federal area located within such State. So, do some research. I have given you all the proper directions in which to look for the jurisdictional nexus that places you within the purview of the federal government

Lawyerdude says: It seems that Rich and Mitch were just making this up as they went along. Crackpot theories.

