

Liberty Shrugs

A Political Argument for Preserving Our Liberty
and Constitutional Freedoms Through Secession



Publius

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Orlando, Florida, USA

PROLOGUE

The political union of a people under the constitution of a representative republic can be compared to the marriage between a husband and wife. Just as the man and woman become one under the covenant of marriage, so a people become one with the government under the constitution. It is a bond that should never be broken

But sometimes, over time, a providing spouse finds that the love of their life has become a manipulative and abusive unemployed alcoholic with a gambling problem. They try and try to reform their spouse; marriage counseling, rehab, budgeting agreements. But nothing seems to work. Each attempt at reconciliation is met with further abuses. Credit cards are maxed out. Mortgage payments fall behind. The abusive spouse demands more and more, reminding the supporting spouse it is what their marriage vows demand. The providing spouse becomes an enabler. The abuser refuses to lock the front door insisting it must be left open for drinking buddies who should be treated like family members -- ones who arrive at all hours and make their own demands and consuming the precious resources of the household. Cash disappears from a purse or wallet. The ability to pay for next week's groceries, much less the kids' college, is now a worry. The abusive spouse refuses to acknowledge the debts incurred will have to be paid by their children, and public verbal insults and degradations turn into threats and punches behind closed doors.

Finally, self-survival and protection of their children forces the loving (but enabling) spouse to take a stand and put an end to the abuse, lest they continue in the downward spiral of self-destruction with their abuser. They reach the realization that the only way to return the marriage to a sustainable one, is a credible threat and willingness to end the marriage. It means putting new locks on the doors, taking away access to the checking account, filing the appropriate separation papers and restraining orders, and having a gun to ensure the physical abuse does not happen again.

The only way for the abusive spouse to reenter the home and marriage is to demonstrate real life changes in their behaviors and agree to, and live by, the rules set by the providing spouse. If the abuser does not agree to reenter the marriage on the terms set by the providing spouse, the provider is free to build a secure future for the household without being dragged to ruin by the abuser. The abuser is also free to follow their own path of self destruction, but can no longer drag their family with them.

This analogy describes the state of our nation today. The heavy and abusive hand of government is stealing the fruits of our labors. It is passing the tipping point of simple abuse and into the tyranny of mobs demanding ever more benefits from the Treasury. The crushing weight

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of government is turning the power of our laws against those who produce its wealth and have made it strong. It runs up crushing debts on the backs of our children, while refusing to stem the tide of illegal immigration to the voting booths and the troughs of government benefits. It regards those who speak out for adherence to the Constitution as threats to be ridiculed, back handed, and audited.

Like a spouse stuck in an abusive marriage, it breaks my heart to know that the only means by which to restore balance to our nation, is to present a credible threat and willingness to secede from it.

This book presents a credible plan for secession, in the hopes that a demonstrated willingness by the people to use it, may restore the balance of our Republic based on the Founding Principles.

I would like to thank all of those, living and deceased, who have greatly influenced the development of this book through their writings, inspirational stands, painful sacrifices, and acts of valor in the promotion and defense of Liberty at critical times in the history of our nation.

This work is dedicated to them.

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CHAPTER I

SECESSION: WHY & HOW

Like so many Americans, I mourned the terminal diagnosis my county handed itself on election night of 2012 when it re-elected Barack Obama as President. As I listened to the major television network pundits expound on the commentary that America's demographics had changed and that the Republican and TEA Parties had become a minority of old racist rich people, I felt like a father who had just watched his eighteen year old daughter pack her bags and get in a car to drive off with a known pimp and drug dealer.

I cried.

In the days following the 2012 election, over 1 million people from all 50 states signed secession petitions on the White House website. Every single one of those petitions opened with the words of our Nation's Founding document, The Declaration of Independence. They expressed the dismay they felt with the direction the Obama Administration was going with its tyranny of the "majority." But few believed these declarations would manifest into actions of actual secession from the Union. There were no clear political paths to put them into action.

I held on to the hope that, somehow, our beloved nation might find its way back from this binge of populist class warfare focusing on racial and ethnic divisions. Like most people who believe in the founding principles of this nation and the preservation of our freedoms and the responsibilities that come along with it, I held on to the belief that while we had reached Alexis de Tocqueville's tipping point, we could still regain our balance. I believed that we still had the ability to slowly restore the balance and structure our nation so desperately needs. The 2014 elections gave us a glimmer of hope.

However, that glimmer was short lived. Although the Republican Party regained control of the United States Senate in the 2014 mid-term elections, the majority is not strong enough to pursue impeachment for the repeated high-crimes and misdemeanors of this President nor to over-ride his Presidential vetoes of Congressional bills written to reflect the will of the people. Worse, the Republican leaders in the House and the Senate have shown a complete lack of political will in opposing this President on all fronts. They have handed him a *fait accompli* on amnesty for illegal immigrants, are moving to approve yet another Attorney General whose background is clearly one of racial and leftist activism, and have banished any discussion of the possibility of impeachment.

In spite of their losses in the 2014 mid-terms and current turmoil within their party, the leftist leadership of the Democratic Party is seeing the fruition of a decades long strategy to achieve permanent political power. The most recent border crisis with the influx of a new wave of immigrant children, most of whom do not speak English and almost half of whom are males between the ages of 14 and 17 (the primary recruiting demographic for gangs like MS-13), and

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the executive granting of amnesty, a path to citizenship & voting rights, and large payments in federal benefits to the over 12 million illegals already in the US, will guarantee the Democratic party a permanent voting majority. This majority will be secured with life-long dependencies on payments from Federal benefits programs and will be bent on keeping open the flood gates of uncontrolled immigration from third world nations. The Constitutional checks and balances of the three branches of our government, as well as the two/multiparty system, have been nullified. There is no way of turning the tide through our skewed electoral system.

This permanent voting majority has been further secured with ideologies ingrained through our public educational systems. These ideologies and the groups promoting them, are teaching current and future generations that government programs are the cure for our societal woes, that America's success is based on racism and conquests, and that we must atone for sins of our ancestors while ignoring the founding principles of our nation – the same principles used to end slavery and open opportunities in our society to all races. They are exponentially increasing the class warfare rhetoric against the producers of our nation's wealth through their allies in the teachers unions and the media.

These groups are actively energizing the people who have entered our country illegally to vote Democratic using blatantly racial dogmas portraying conservatives and those who want to control the flow of immigration as anti-Hispanic bigots. We are seeing today a culmination of this strategy to change the demographic makeup of the United States to ensure a permanent Democratic voting majority and fundamentally change the principles of our nation's founding. This strategy continues to play on and exploit racial divides and class warfare.

Those of us who believe in the founding principles of our nation must always adhere to the spirit expressed by the great abolitionist, college professor, and hero of Gettysburg, Joshua Lawrence Chamberlin and recognize the "Divine spark" in every individual. Our movement must never allow itself to descend into racial based dogmas. But at the same time, self-preservation and prudence dictate that we cannot ignore the racial messaging of groups like La Raza (The Race), "Civil Rights" pundits like Al Sharpton and Jesse Jackson, and even the President and his Attorneys General who continuously promote a rhetoric of "white privilege" and anti-white hatred. They often claim racial victimization while loudly accusing those who hold opposing opinions of racism. They paint conservatives as old white racists and openly promote group actions and protests which frequently lead to racial violence against innocent victims. Then, they denounce those who maintain a right to defend themselves against such attacks as vigilante profilers who just want to shoot minority children.

For far too long Republican politicians have tried to compete within the Democratic established framework and agendas by supporting measures which further the political goals of the Democratic Party, such as the current form of Immigration reform. As a result, the Congress has allowed the Executive Departments of the Obama Administration to rule by Executive Order and regulations without Congressional oversight. They have become the enablers in the

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destruction of our Liberty. Their capitulation has allowed abuses of our freedoms, excessive and burdensome regulation of businesses, and harassment of citizens and their livelihoods by agencies such as the IRS, EPA, FCC, and the Justice Department.

Over the last few decades, those members of the Legislature and Presidents who wished to increase the power of the Federal Government to impose their will on the People have packed the Judicial Branch with activist judges of similar minds. So, when the People have expressed their desires for the traditional institutions, by establishing laws and appointing new legislators and executives on the local, state, and national levels by popular election, the new laws and measures established by them are struck down by unjust judicial fiat.

From the skewing of our electoral system, to the imposition of overly burdensome taxes and regulations, to the exponential increases in our national debt, to the failure to protect our nation's sovereignty while treating patriots who love the Constitution as enemies of the State, to fanning the flames of racial divisions to the point of violence, it is clear our system of government is crashing. – A crash which could see the complete breakdown of law and order, with the Government oppressing the rights of the citizens and declaring those who defend their Constitutional rights as criminals; a crash which could see intervention by foreign governments and entities seeking to “protect” the rights of their ethnic or religious groups or their nation's “investments” against the American people.

The Republican majorities in the House and Senate have repeatedly failed to act on the authorities the American people gave them in the 2014 elections to curb the Constitutional abuses by President Obama. It has become necessary for the people warn the Congress, the President, and the Courts that if they fail to act to preserve our Republic and restore the Constitutional rule of law, the PEOPLE WILL DO SO.

For those who have not read them lately, it is imperative to read The Declaration of Independence (Appendix III) and the United States Constitution (Appendix IV). These baseline documents of our nation are the most perfect of imperfect human endeavors to establish and safeguard Freedom. It is because the imperfections of those documents have been subverted to ensure the continued reelection of the most corrupt of power seeking individuals, that this discussion is necessary.

The Democratic Party, as a whole, has been using the treasury to buy the votes of the most irresponsible of voters whose only concern is what the government can do for them. They have repeatedly used their manipulation of the economic structure to steer large portions of the economic strength of our nation into unviable sectors and industries in which so many of them find employment after leaving office. Their repeated engagements in “crony capitalism” have undermined the freedoms of the open market and damaged the abilities of small businesses to operate in our economy. They are handing multiple advantages to monopolistic companies, giving them control of larges sectors of the economy to include medicine, labor, manufacturing

and the internet through massive and complicated laws, regulations, and taxes. Activist judges holding lifetime appointments use their positions to strike down the counter moves by conservative lawmakers.

The Republican leadership is no less corrupted. They have become beholden to the “donor class” for political funding which has allowed them to fund and advertise their positions with their constituents and win elections on positions popular with the people. However, they continually betray the people who vote for them by stifling, undermining, and compromising the positions they were elected to support through back-room deals. Their capitulation on Obama’s executive amnesty for illegal immigrants is the most recent and, perhaps, fatal blow to our Republic.

This perpetual cycle of benefits for votes, voter fraud, crony capitalism, and judicial activism has made it nearly impossible to restore the balance of our political system within the framework of our Constitution without strong and fearless political will – something the Republican “leadership” is sorely lacking in. Those in the leadership of the Republican Party fear the loss of funding from the donor class, but they feel no fear of the voters supporting the rule of law and dedicated to the Constitution and the Found Principles of our nation. They seem to believe they can continually out-manuever and manipulate those voters opposed to the policies promoted by the Democrats in the political processes; that they can use their votes to get reelected, but then sell out to the donor class and crony capitalists.

This must change.

We must have a concrete plan to put real political strength behind the efforts to stop our nation from listing out of the control of our Founding Principles. Failing that, we must have a means to preserve those principles as our nation moves beyond the point where the restoration of balance is possible.

There are many people arguing for the use of Constitutional amendments by the processes laid out in Article V Amendment of the US Constitution. While there is a historical validity to those processes, we are well past the point where those means can be used to save our Republic.

All the Amendments to our Constitution were produced by the first process articulated in Article V in which amendments were forwarded for ratification by 3/4 of the States with a 2/3 vote in both the House and Senate. It would be impossible to get any Amendments limiting the powers of the Federal Government through our current Congress & Senate. It is extremely unlikely that any future Congress elected with the influx of new voters produced by uncontrolled immigration will ever vote to limit their own powers.

There is a current movement to produce Amendments to the Constitution through a Constitutional Convention requested by the legislatures of two thirds of the states. However, this process, which has never been successfully used, is subject to many of the same pitfalls, short

cuts, lawsuits, and backroom deals which any other legislative move is subjected to. In Federalist Paper No. 85, Alexander Hamilton noted “the utter improbability of assembling a new convention under circumstances in any degree so favorable to a happy issue as those in which the late convention met, deliberated, and concluded.” While Hamilton stated this in discussing the argument of whether states should hold another convention to address changes before the original ratification of the Constitution,¹ his observation continues to ring true with regard to a Convention of States.

One only need to look at the current status of the call. Although 34 state legislatures have standing calls for a convention as of April 2014², the Speaker of the house has yet to determine if this is sufficient to meet the Constitutional mandate for the Congress to convene a convention. Even if the Speaker calls a convention, there are groups such as Occupy Wall Street’s Wolf Pack which will attempt to high-jack the movements to preserve states’ rights through a balanced budget amendment with riders and amendments to limit the freedom of political speech for corporations.

Some readers will point out that Hamilton also vehemently argued that Article V negates the notion that “persons delegated to the administration of the national government will always be disinclined to yield up any portion of the authority of which they were once possessed.”

However, Hamilton also acknowledged that this “political truth could be brought to the test of mathematical demonstration.” Applying the mathematical lessons from examining the many tricks and short cuts of our “well defined” legislative process to pigeon-hole and negate popularly demanded legislative actions, it is clear that a less well defined process of the Constitutional Convention would be easily nullified. Those persons who are use to skirting the rules to keep their power, will be far more adept at crashing a system without defined rules, than those who play by the rules are in making a successful legislative outcome in such an undefined process.

The time has come to consider political secession as a credible means to preserve our Liberty and Constitutional protections, and put an end to the downward spiral of our nation.

For those who will argue that adopting a new constitution through popular election at the local levels is egregiously un-Constitutional, it must be stated that it is no less Constitutional than the usurpation of the Constitutional rule of law by many of the current occupants of the Executive, Legislative, and Judicial branches of our Federal Government.

¹ Hamilton, Alexander, The Federalist Papers (No 85), The Penguin Group, New York, 1999, p. 523.

² 34 States Call for Constitutional Convention — and Possible Rewrite, Friday, 11 Apr 2014 04:57 PM, By Andrea Billups. <http://www.newsmax.com/US/constitutional-convention-Boehner-balanced-budget/2014/04/11/id/565155/>

Chapter I **Secession: Why & How**

It is imperative that any discussion of restoring our Republic through secession have a sound moral-political basis and structure. Otherwise, any movement which springs from the discussion runs the danger of becoming a lawless, immoral series of mob actions. It must begin with an understanding of the principles in our founding documents.

This plan is presented with the hope that it will never be fully implemented, but with the hope that the credible threat of its use will place a steel fist into the velvet glove of our Founding Principles and ensure that our Republic can long endure. Its goal is to shore-up the political will of the Republican leaders in resisting the tyranny of the special interests. Barring this, to provide a means by which our precious freedoms may be preserved and our Constitutional Republic reborn while avoiding the ravages of mob violence, civil war, and foreign invasion.

As someone from a family with a long tradition of serving in the defense of our nation and its Constitution, it breaks my heart that secession, and all the risks that come with it, may be the only option by which our culture of Liberty and Freedom can be preserved. I can only liken the heartache I feel to that of medical doctor parents who must consider amputation and intensive chemo-therapy as the only apparent and viable options to save the life of their child. – Even worse, they must do so as the only doctors available to do the surgery and treatments because there is no Mayo Clinic for the treatment of Liberty. If their child survives, would she forgive her parents for the pain, and the scars and the loss of her limb and be happy to be alive? Or, should they just enjoy the remaining time they have with her, although they know she will die without the treatment?

As a father of two very real and beautiful children, I must consider such radical measures for my country so that the Constitutional system which codified and protected our unalienable rights can be preserved and passed on to them. I cannot stand by and spend my remaining years enjoying the small enclaves of freedom I can create in my own life, with the knowledge that the cancer of progressive populism, governing the creation and implementation of our laws with all of the ugly symptoms of racial discord and freedom consuming regulations and taxation, will destroy those freedoms and make my children into criminals if they attempt to preserve them.

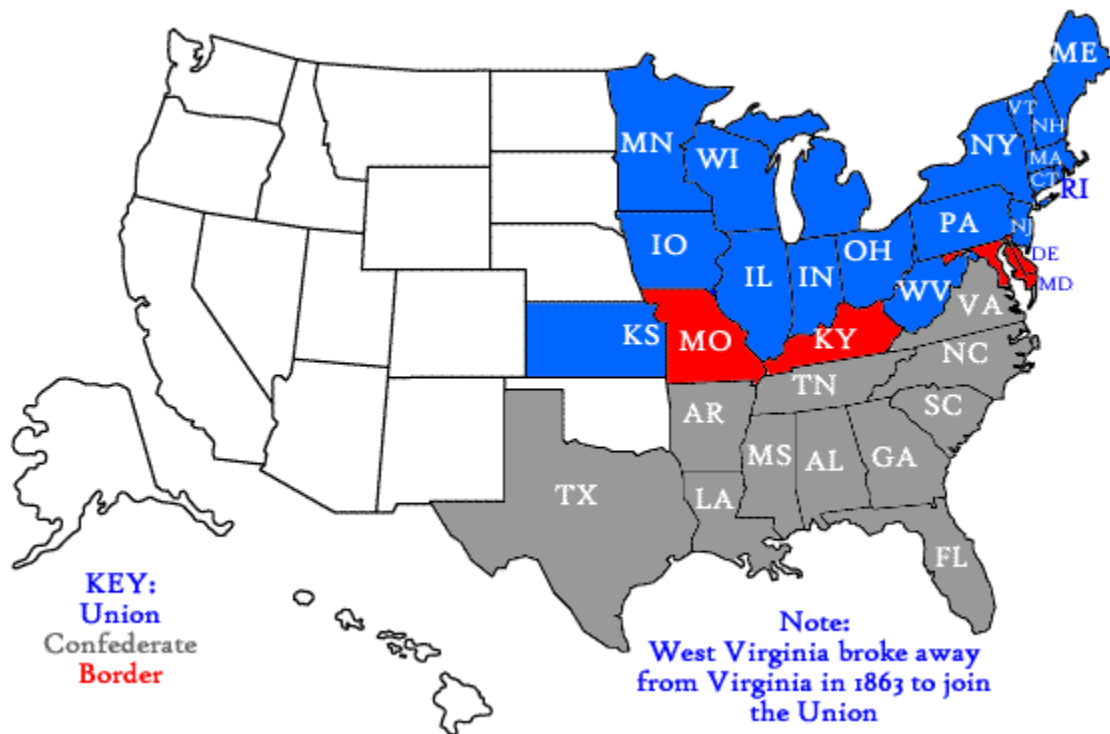
If secession is to be seriously considered as a means to preserve our culture of true Freedom and Liberty, we must first define what it must NOT become. It cannot take the form of fringe “militia” groups storming the local court house. It cannot take the form of supremacist groups descending into mob and vigilante violence. Such actions would only serve to destroy the moral authority of any such movement, and possibly the very fabric of American society and culture. It would deny any such movement any vestige of legitimacy on the international scene.

If we are to preserve the Freedoms imparted to us, while removing the levers used to destroy our Liberty, we must do so in a manner which preserves those Constitutional and governmental institutions that maintain civil law and order; a manner which provides the greatest probability for a successful transition characterized by the use of ballots, and not bullets. We must do so in a

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manner which maintains civil structure, an adherence to the rule of law and protects the rights of all Americans (even those opposed to such a movement), provides a means by which financial and economic functions can be preserved, a means by which certain assets of the Federal Government (to included military and nuclear weapons) may be safely transitioned, the sovereignty of the United States protected from foreign invasion, and the legitimacy of the Representative Republic of the United States be recognized internationally.

When most Americans think of secession, they recall the Civil War. They think of it as occurring at the regional and state level (North versus South), and attribute to it all the negative vestiges of slavery and racial hatreds.



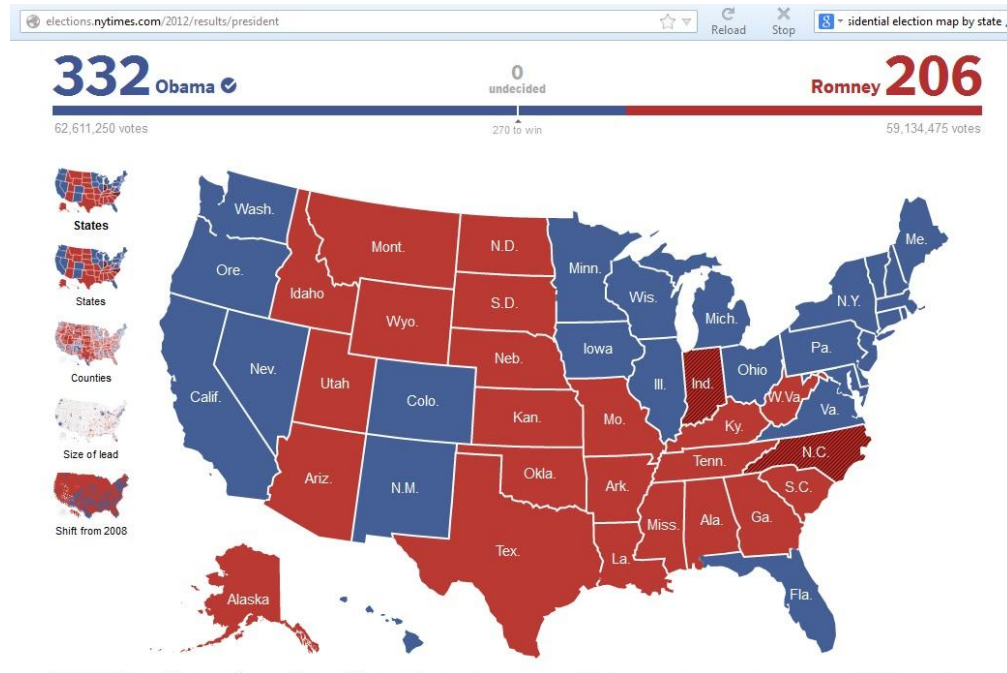
Source map from: <http://mrnussbaum.com/civil-war/unionconfederacy/>

But America has changed significantly in the century and a half since then. We no longer tolerate the subjugation of peoples based on ethnicity as our Constitution guarantees everyone the freedoms passed on to us. Also, the demographics have shifted, grown, and expanded. The point of political divide is no longer along clear state or regional lines (with a few notable exceptions like Texas and Oklahoma).

When we look at the state by state results of the 2012 Presidential Election, it appears that America is almost equally divided along political lines with what the more populous and traditionally Democratic states (New York, California, Wisconsin, Michigan, Minnesota, Ohio, and Illinois) clearly supporting the reelection of Barack Obama.

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The state by state secession of the 1860's with clear regional divisions is not a possibility given the changes in America's political geography with major city centers emerging and dominating the political environment in many of the states. Even if one considers the electoral map of the 2012 election published by the New York Times, the idea of separation on the state levels does not seem to work out given that so many states were narrowly won by one candidate or the other.



Source Map from <http://elections.nytimes.com/2012/results/president>.

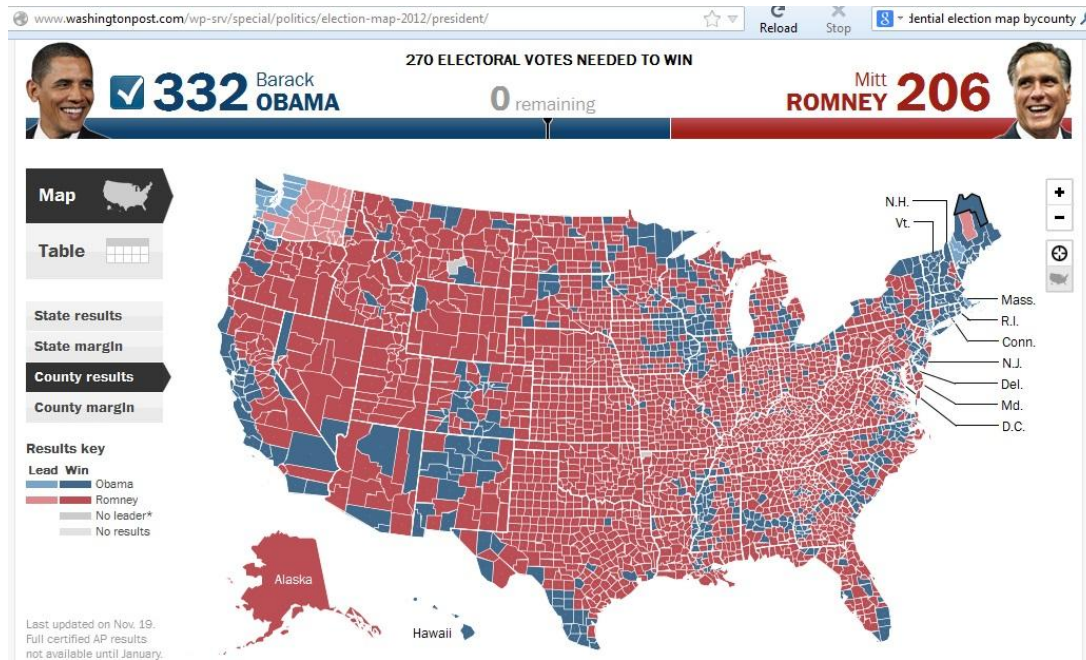
Another obstacle to the historical idea of secession and its equation to the Civil War, is that most people have very clear visual images of the cost and carnage of modern civil wars brought to us on our television screens. Few who might be politically inclined to separate and insulate themselves from the tyranny of the left, would consider a plan which did not have a very clear political course of action with a strong possibility of avoiding massive rioting, mob violence, or armed conflict between the people and the Federal Government. The popular notion circulated in the press was an armed takeover of a county courthouse by militia radicals without any real political continuity, as conjectured in a paper put out by a staffer from the Army's Command and General Staff College in 2012.

However, there is a means by which a successful rebirth of our nation can be achieved. When we look at how the election results of 2012 played out on the county level and consider where people live, we get a different picture. Even heavily blue states like California, Oregon, Washington, Illinois, New York, Michigan, and Minnesota have vastly different make ups. The "swing states" of Virginia, Pennsylvania, and Florida have similar demographics. The left

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leaning voters of the “majority” tend to be heavily concentrated in the major metropolitan areas or along the coasts.

There are 3,141 counties and county equivalents in the 50 States and the District of Columbia. When we look at the map showing the county by county results of the 2012 Presidential election, the concentration of left leaning voters is clearer. A look at the county results published by the Washington Post also shows much greater variations in the margins of victory for each candidate within the counties, from 10 to 90 percent versus the typical one to five percent of most state results. A visual count of the map showing these counties reveals that Obama won less than 650 (only 20%) of the 3141 counties or county equivalents.



Source map reported by the Washington Post. <http://www.washingtonpost.com/wp-srv/special/politics/election-map-2012/president/> (Click on County Results tab).

The map shows how city centered “majorities” in relatively small geographic areas dominate the political landscape of dispersed areas within the clearly “blue” states as well as on the national level. It is the true map of the “Two Americas.” The geographical and political structures of the counties provide the blue print for a peaceful renewal or reloading of our nation’s political operating system while maintaining law and order during a transition by preserving the local civic structures and authorities.

Through initiatives placed on the ballots of any county or city in the United States, the people may adopt the Declaration of Independence (Chapter II) from the United States at the county or

city level and adopt the proposed Constitution of the Representative Republic of the United States (Chapter III).

The new Declaration and Constitution are not revolutionary. They are simply the original documents updated to address and relieve the grievances which afflict our nation. The Declaration lays out the injuries imposed by the last century of progressive governance which has led to the destruction of families and freedoms. The proposed Constitution is the original Constitution of the United States with changes to clarify the intent of the Founding Fathers by removing the levers of debt, low-information voters, class warfare, activist judges, and anchor babies which have been used to subvert the electoral process and grow the power of the Federal Government well beyond its intended purpose. It highlights with bold clear language a respect life, the importance of families, the rights of the States, and the wisdom of a republican form of government. It clearly establishes that our unalienable rights are granted by our Creator and that governance should be in harmony with the laws of nature and nature's God. It provides a template to provide for a peaceful transition to a more responsible governance protecting the rights of all citizens, while removing the inherent burdens which the founders and de Tocqueville warned us of: the public voting themselves benefits from the Treasury.

The original texts have been kept as much as possible, to include original spelling and capitalization. In the Constitution, certain passages referring to the presence of slavery at the time of the Founding are removed and references to Air and Space Forces have been added to reflect the advances in technologies.

These are the changes, and some of the highlights of the proposed Constitution of the Representative Republic of the United States:

Pre-amble: The phrase “with the recognition that our unalienable rights are endowed by our Creator” is added to clarify that the rights guaranteed by the Constitution are granted by a higher power, which no government has the right to deny.

Amendments: Incorporated into the main text of the Constitution.

--Amendments 1 through 9 of the Bill of Rights are placed in new Article V The People, sections 1 through 9.

--Amendment 10 is placed in Section IV The States.

--All other Amendments are placed in the Articles and Sections they effected with the exception of the 16th (Income Tax), 17th (Popular Election of Senators), and 26th (Lowered the Voting Age to 18) Amendments which are deleted.

Article. I. The Legislative Branch:

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--The Congress shall pass no law, to which the Senators, Representatives, and the members of their staffs shall not be subject.

--Incorporates the proposed Balanced Budget Amendment (H.J. RES. 1 [Report No 112-117]) into Article I, Section 7 - Revenue Bills, Legislative Process, Presidential Veto.

--Requires proof of Citizenship for public office.

--Adds air and space Forces to discussions related to the land and naval Forces.

--Allows for “certain combat exclusions based on sex” in the regulation of the land, naval, air, and space Forces.

--The **16th Amendment is repealed**, eliminating the federal income tax. (Article. VIII. Transition establishes the Fair Tax.)

--The **17th Amendment is repealed**, returning the election of senators to the state legislatures as per the original language of the Constitution.

--No industry, trade, or commercial company shall be favored over another in the free market place through subsidies or taxes, except for direct purchases authorized by the Congress for the good of the Republic (no more subsidies or bail-outs).

--Allows the Congress to establish a common national language.

Article. II. The Executive Branch: Requires proof of Citizenship for service as President.

Article. III. The Judicial Branch: Federal Judgeship appointments are changed from lifetime to 12 years adopting the language from Mark Levin’s Liberty Amendments.

Article. IV. The States: The 10th Amendment is inserted.

Article. V. The People (Added)

--Amendments 1 through 9 of the Bill of Rights are placed in sections 1 through 9.

--Section 2 (Amendment 2) “citizens” is substituted for “the people” to ensure the rights of the individual (as opposed to the collective interpretation of “the people”) to keep and bear arms is clear.

--Section 7: The threshold for a right to jury trial for civil suits is raised to two thousand dollars from twenty dollars.

--Returns the voting age to 21 and requires two years of voluntary & honorable active service in the Militia (this can include Federal, State, or Local military, law enforcement, or public health & safety) prior to becoming franchised. – No more ACORN registrations

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of people whose only interest is voting themselves money from the Treasury. – Current US citizens (Naturalized Citizen awarded citizenship before January 3, 2009) of voting age are grandfathered, requiring only an oath to support and defend the Constitution of the Representative Republic and a reserve appointment in the Militia.

--The definition of life (beginning at conception and ending at natural death) is inserted into the language from the 14th Amendment.

--The definition of Natural Born citizen is limited to the children (born anywhere in the world) of at least one citizen of the Republic, or of permanent legal residents within the territories of the Representative Republic. “Anchor Babies” are eliminated for illegal immigrants, tourists, and foreign diplomats and invading armies. Establishes a clearer and stronger Constitutional framework for Immigration and naturalization.

--Establishes the family as the most important building block of society. Defines marriage as between one man and one woman. Allows parents to raise and direct the education of their children without government interference, except through due process, and attaches all government support of education to the child (vouchers).

Article. VI. – Amendment

--Retains the original language for the Amendment process

--Prevents the any changes to the apportionment of Representatives (Article I, Section 2, Clause 3) and Transition (Article VIII) until after the second census.

--Does not allow for any changes to the number of Senators allotted to each State.

Article. VII. - Debts, Supremacy, Oaths:

--Accepts the debts for payment of military retirements and pensions and bounties to Citizens of the Republic for services in the enforcement of laws and protection of the people of the United States, and the payments of the old-age and survivors insurance trust fund (Social Security), the hospital insurance trust fund, and the Federal supplementary medical insurance trust fund (MediCare) benefits to those Citizens of the Republic born before January 1, 1962.

--The disability insurance trust fund (Social Security Insurance) shall also be honored for those Citizens of the Republic who were qualified for and receiving payments under the laws of the United until such time as the Congress shall establish new laws governing disability insurance.

--Absolves the Representative Republic and its Citizens of the debts or obligations incurred by the United States after January 3, 2009.

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--No benefit shall be paid for non-citizens of the Republic, unless specifically authorized by the Congress for the good of the Republic for a term no longer than two years without renewal.

Article. VIII. – Transition Upon Ratification of this Constitution: Provides frame work for the transition to the new Federal Government and protection of the sovereign territory of the Representative Republic of the United States and the United States, and international diplomatic recognition of the Representative Republic of the United States.

--Maintains Posse Comitatus (no powers of arrest/ law enforcement authority by the military).

--Provide political structure for maintaining the civil rights and law & order under existing county civil governments while providing for protection from existing federal agencies of the United States under the authorities of county sheriffs.

--Provides means to establish new State Legislatures and Governors through election by elected county officials until popular elections can be held in the next election cycle.

--Provides means for which State Legislatures and Governors may elect/appoint members of the House of Representatives and the Senate from their States to serve until the next election cycle.

--Provides a means by which the House and the Senate will elect a President to serve until a President may be elected by popular vote in the next election cycle.

--Provide for transition of Military and the nuclear weapons stockpile to new Federal Structure to defend and maintain the territorial sovereignty of the United States.

--Immediately implements the Fair Tax (HR 25, 2015) until such time as the Congress alters or implements a new tax system.

--Provides for the continued use of the United States Currency until such time as the Republic establishes its own currency.

--Provides a means to achieve international diplomatic recognition of Representative Republic as a sovereign nation.

For those who would wish to rewrite and add their own additions to meet the desires of the many varied groups and districts which may consider this Constitution, I again revisit the arguments of Alexander Hamilton: “...*I should esteem it the extreme of imprudence to prolong the precarious state of our national affairs and to expose the Union to the jeopardy of successive experiments in the chimerical pursuit of a perfect plan. I never expect to see a perfect work from*

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*imperfect man. The result of the deliberations of all the collective bodies must necessarily be a compound. The compacts which are to embrace thirteen [all] distinct States [and counties] in a common bond of amity and union must as necessarily be a compromise of as many dissimilar interests and inclinations. How can perfection spring from such materials?"*³

In other words, an imperfect but workable common plan (with mechanisms for change built in) adopted and put into immediate action will alleviate the many risks and tumultuous arguments which would come with attempting to collectively develop the perfect plan that is all things to all people in the contentious political environment we are in. It is far easier and safer to enact a single common plan and adjust from it, than to develop and adopt multiple plans, each of which must be reconciled for common acceptance. There is room for individual counties and cities to add grievances to the County/ City Declaration of Independence. However, it is imperative to keep the language adopting the Constitution and the Constitution itself free of alteration.

A common Declaration of Independence which presents a clear and resounding list of the grievances and violations of the Freedom of our Republic and adopts a common Constitution, placed on the ballots of one or more counties in each of the states, will send a resounding political message to those in Washington. It will require one of two reactions from them which will affirm our wisdom. It will force them to make real changes to protect our Freedom and ensure that measures are voted down. Or, they will react with further violations against the people to subjugate them to the will of the government. Either action will morally vindicate those supporting this political move.

³ Hamilton, p. 523.

CHAPTER II

A County/City Declaration of Independence

By Vote of the People, November _____, _____
The Declaration of the County/City of _____ State of _____

When in the Course of human events it becomes necessary for one people to dissolve the political bands which have connected them with another and to assume among the powers of the earth, the separate and equal station to which the Laws of Nature and of Nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation.

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness [Property]. --That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed, --That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness. Prudence, indeed, will dictate that Governments long established should not be changed for light and transient causes; and accordingly all experience hath shewn that mankind are more disposed to suffer, while evils are sufferable than to right themselves by abolishing the forms to which they are accustomed. But when a long train of abuses and usurpations, pursuing invariably the same Object evinces a design to reduce them under absolute Despotism, it is their right, it is their duty, to throw off such Government, and to provide new Guards for their future security. --Such has been the patient sufferance of the people of this County/City; and such is now the necessity which constrains them to alter their former Systems of Government. The history of the present President, Congress, and Supreme Court is a history of repeated injuries and usurpations, all having in direct object the establishment of an absolute Tyranny over these People. To prove this, let Facts be submitted to a candid world.

They have usurped laws and Constitutional intent of the Founding Fathers the most wholesome and necessary for the public good.

Chapter II County Declaration

They have corrupted the representative functions of this Representative Republic by undermining the rights and responsibilities of its citizens at the ballot box, using the expenditures of the legislature and the laws of taxation to ensure repeated elections by bribing the large portions of the electorate with funds from the national Treasury which can only be sustained by further taxation on the creators of the nation's wealth.

They have not only refused to secure the borders of this sovereign Republic, but have gone beyond encouraging to orchestrating a wholesale invasion by massive numbers of illegal entrants into our lands, granting them payments and benefits reserved for Citizens with the intent of granting them amnesty, citizenship, and voting rights in exchange for their violations, thus undermining the rule of law and the security of the People.

In order to secure permanent political power for themselves, they have brought our nation to the tipping point our Founding Fathers warned us would lead to the destruction of our Republic; when a majority of people will give their votes to anyone who will promise greater and greater benefits from the Treasury. They have done this through creating generations of peoples dependent on government programs, granting citizenship and voting rights to illegal immigrants who have no allegiance to America's traditions or institutions, and outright voter fraud.

They have undermined the voting rights of our citizens by refusing to protect the integrity of elections not allowing for positive identification as citizens of persons presenting themselves to register and vote in elections, while allowing for the counting of votes by foreign owned corporations.

They have repeatedly used the powers of direct taxation to promote class warfare, excessively taxing wealth earned by the hardworking endeavors and risks of those who created it, and transferring it via payments and benefits to those who choose not to work.

They have established and left in place unjust taxation on family wealth, taking to the government large portions of families' estates upon the death of the owners, in spite of the fact that taxes have been collected on the estates and their earnings throughout the life of the owners.

They have repeatedly exceed the power granted them by the Constitution of the United States and undermined the operations of the Free Market through government intervention in the markets with programs creating artificial favor for chosen corporations and industries which would not enjoy such favor from the will of the people in free economic competition. These programs have immorally transferred the wealth of the People to favored corporations and individuals and created economic turmoil causing hardship on the populations.

Chapter II County Declaration

They have emplaced by the power of law, a system of healthcare which denies the rights of the people to direct and control their own personal medical care by the means they have available to them in conjunction with their doctors, and has made them subject to government boards of bureaucrats who will determine their rights to lifesaving care. This same system denies churches and their institutions, as well as business owners and individuals the right to live by their religious teachings and forcing them to pay for procedures which infringe on the God-given right to Life.

They have repeatedly used the institutions of our government which were designed to ensure the sovereignty, security, and financial stability of our nation and its Treasury, to infringe on the rights of the people to be secure in their homes, communications, and finances, while failing to protect them from foreign powers and entities actively working to bring death and destruction to our nation.

When the Congress has not cooperated with the President in the suppression of our freedoms, the current President has sought to infringe on the rights of the People and the States to be secure in their homes, businesses, vehicles, and communications through Executive Orders and bureaucratic processes from multiple agencies at his disposal.

Those members of the Legislature and Presidents who wished to increase the power of the Federal Government to impose their will on the People have packed the Judicial Branch with activist judges of similar minds. So that when the People have expressed their desires for the traditional institutions, by establishing laws and appointing new legislators and executives on the local, state, and federal levels by popular election, the new laws and measures established by them are struck down by unjust judicial fiat.

The current President has excited domestic insurrections amongst us, and has endeavored to bring on the inhabitants of our nation, the merciless savagery of mobs whose known rule of political discourse is racial divide, class warfare, and organized physical violence against innocent persons of all ages, sexes and conditions as well as the occupation, destruction, and theft of their properties.

They have repeatedly sought to eliminate the Grantor of our unalienable rights from the public square, the education system, and political discourse, placing the power and wisdom of government as the supreme arbiter and grantor of our rights and undermining the moral authority of our nation's founding.

They have repeatedly attacked the most wholesome and necessary institution of public good necessary to the survival of every society, redefining the ancient and cultural construct of the family designed by Nature and Nature's God.

They have subjugated the Right to Life, as recognized in Nature's Law from the time of conception through natural death, and specified in the Declaration of Independence

Chapter II County Declaration

and the Constitution, to the implied “right to privacy,” resulting in a culture and industry promoting the deaths of the most vulnerable and defenseless of our society.

They have corrupted the good sense and valuable judgments of generations of our youth, removing from public classrooms any mention of the Grantor of our rights, the judgment to discern right from wrong in keeping with the laws of Nature and Nature’s God, and the sense of personal responsibility. Instead, they have established a system of education to indoctrinate persons with a sense of entitlement to the wealth of others without labor, the right to engage in unwise and immoral activities without consequence, and undermine the rights of parents to direct and control the moral and academic education of their children.

They have set in place government programs, in the name of public compassion, which relieve young men of their responsibilities as fathers, releasing them from the moral underpinnings of a responsible adulthood, while condemning mothers to lives of dependence on the state, while burdening them with the responsibilities for the rearing of children without fathers in the home.

The President has blocked the economic development of our resources and made us vulnerable to the whims of foreign governments who control the energy resources necessary to the security of our economy and our sovereignty.

He has endeavored to destroy the nuclear weapons which prevent the use of such weapons against the people of our nation by foreign powers so armed, as well as any extortion by them against our nation.

He has combined with others to subject us to a jurisdiction foreign to our Constitution, and unacknowledged by our laws; giving his Assent to their Acts of pretended Legislation to subvert the rights of the People to be secure in their persons and homes through the right to maintain and bear arms and the ancient right of self protection through the implementation of restrictive laws, executive orders, bureaucratic fiat, and foreign treaties.

He has erected a multitude of New Offices, and sent hither swarms of Officers to harass our people and eat out their substance.

In every stage of these Oppressions We have Petitioned for Redress in the most humble terms: Our repeated Petitions have been answered only by repeated injury. This President and his Administration, whose character is thus marked by every act which may define a Tyrant, is unfit to be the ruler of a free people.

Nor have We been wanting in attentions to the President and the Government. We have warned them from time to time of attempts by the Administration and its

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Departments to extend an unwarrantable jurisdiction over us. We have reminded them of the circumstances of our Republic. We have appealed to their native justice and magnanimity, and we have conjured them by the ties of our common history. to disavow these usurpations, which would inevitably interrupt our connections and correspondence. They too have been deaf to the voice of justice and of consanguinity. We must, therefore, acquiesce in the necessity, which denounces our Separation, and hold them, as we hold the rest of mankind, Enemies in War, in Peace Friends.

We, therefore, the People of the County/City of _____ of the State Of _____, appealing to the Supreme Judge of the world for the rectitude of our intentions, do, in the Name, and by Our Authority, solemnly publish and declare, That this County/City is, and of Right ought to be a Free and Independent State, operating under the civil authorities of the County/City government and the protection of the County/City Sheriff and his appointed Posse from the Militia. We are Absolved from all Allegiance to the United States of America and the State of _____-, and that all political connection between us and the Federal and State Government, are and ought to be totally dissolved; and that as Free and Independent County, do hereby adopt the Constitution of the Representative Republic of the United States. In doing so, we will join with the like- minded independent counties of this State of _____ with our elected representatives to the State to form a new State Government under the Representative Republic of the United States; and so join with other States so constructed to form the Representative Republic of the United States and its sovereign territory with the full Power to levy War, conclude Peace contract Alliances, establish Commerce, and to do all other Acts and Things which Independent States may of right do. --And for the support of this Declaration, with a firm reliance on the protection of Divine Providence, we mutually pledge to each other our Lives, our Fortunes and our sacred Honor.

The People of the Free County/City of _____, State of _____

CHAPTER III

The Constitution of the Representative Republic of the United States

Preamble

We the People of the Representative Republic of the ⁴United States, in Order to form a more perfect Union, establish Justice, insure [domestic Tranquility](#), provide for the common [defense](#), promote the general [Welfare](#), and secure the Blessings of Liberty to ourselves and our [Posterity](#) with the recognition that our unalienable rights are endowed by our Creator⁵, do [ordain](#) and establish this Constitution for the Representative Republic of the United States of America.

Article. I. - The Legislative Branch

Section 1 - The Legislature

All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

Section 2 - The House

The House of Representatives shall be composed of Members chosen every second Year by the People of the several States, and the Electors in each State shall have the Qualifications requisite for Electors of the most numerous Branch of the State Legislature.

No Person shall be a Representative who shall not have attained to the Age of twenty five Years, and shown proof to have been four Years a franchised Citizen of the Representative Republic of the United States, or shown proof of having been seven Years

⁴ The United States has always been a representative republic, not a democracy. A representative republic holds democratic elections, but protects the rights of the minority and ensures the rule of law. A pure democracy is the rule of the majority and gives rise to mob rule in the in implementation and execution of laws. The adoption of the name "Representative Republic of the United States" clarifies and codifies this concept.

⁵ Recognition of the Creator as the grantor of our unalienable and natural rights is taken directly from the Declaration of Independence. It establishes the premise that the rights of the people and the individual are granted by a higher moral Authority than the state. The Constitution and the government instituted by it exist for the purpose of protecting those rights. Without the recognition of a Higher Power, the Founding Fathers had no right to declare their independence from England nor to challenge the authority of the King.

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a citizen of the United States and having become a franchised citizen of the Representative Republic⁶, and who shall not, when elected, be an Inhabitant of that State in which he shall be chosen.

Representatives and direct Taxes shall be apportioned among the several States which may be included within this Union, according to their respective Numbers, which shall be determined by adding to the whole Number of citizens. Citizens.⁷ The actual Enumeration shall be made within three Years after the first Meeting of the Congress of the Representative Republic of the United States, and within every subsequent Term of ten Years, in such Manner as they shall by Law direct. The Number of Representatives shall for each State shall be based on the Enumeration, but each State entering the Republic shall have at Least one Representative; The number of Representatives apportioned to each State shall be based on that percentage of the individual State's population, established by the 2010 United States Census, residing within the counties choosing to join the Representative Republic of the United States. Each State will be apportioned an equal percentage of its representatives, determined by the 2010 United States Census, as the percentage of its population residing within the counties and cities joining the Republic. The total number of Representatives shall not exceed 435. After the second Enumeration made under the authority of this Constitution, those representatives not apportioned, shall be apportioned to the States of the Representative Republic.⁸

When vacancies happen in the Representation from any State, the Executive Authority thereof shall issue Writs of Election to fill such Vacancies.

The House of Representatives shall choose their Speaker and other Officers; and shall have the sole Power of Impeachment.

Section 3 - The Senate

The Senate of the United States shall be composed of two Senators from each State, chosen by the Legislature thereof, for six Years; and each Senator shall have one Vote.

Immediately after they shall be assembled in Consequence of the first Election, they shall be divided as equally as may be into three Classes in effect for the Senate of the United States upon the ratification of this Constitution. The Seats of the Senators of the first Class shall be vacated at the Expiration of the second Year, of the second Class at

⁶ Requires proof of citizenship to run for public office and allows for the transition immediate eligibility of qualified candidates who were previously qualified as citizens of the United States and who have become franchised citizens of the Representative Republic. Enfranchisement is defined in Article V, Section 10.

⁷ Language addressing the importation of slaves and indentured servants is eliminated as no longer necessary and forced servitude without due process is forbidden under Section V: The Rights of the People.

⁸ Language establishing the number of Representatives of each state is updated to reflect the existence of a current census of the people (2010) and a workable approximation of the populations of citizens of the states and counties for elected state legislatures to establish Congressional Districts and elect representatives until the first elections may be held under the authorities of the Representative Republic.

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the Expiration of the fourth Year, and of the third Class at the Expiration of the sixth Year, so that one third may be chosen every second Year; and if Vacancies happen by Resignation, or otherwise, during the Recess of the Legislature of any State, the Executive thereof may make temporary Appointments until the next Meeting of the Legislature, which shall then fill such Vacancies.⁹

When vacancies occur in the representation of any State in the Senate for more than ninety days the governor of the State shall appoint an individual to fill the vacancy for the remainder of the term.

A Senator may be removed from office by a two-thirds vote of the state legislature.¹⁰

No person shall be a Senator who shall not have attained to the Age of thirty Years, and shown proof to have been nine Years a franchised Citizen of the Representative Republic of the United States, or shown proof of having been nine Years a citizen of the United States and having become a franchised citizen of the Representative Republic¹¹, and who shall not, when elected, be an Inhabitant of that State for which he shall be chosen.

The Vice President of the Representative Republic shall be President of the Senate, but shall have no Vote, unless they be equally divided.

The Senate shall [chuse](#) their other Officers, and also a President [pro tempore](#), in the absence of the Vice President, or when he shall exercise the Office of President of the United States.

The Senate shall have the sole Power to try all [Impeachments](#). When sitting for that Purpose, they shall be on Oath or Affirmation. When the President of the United States is tried, the Chief Justice shall preside: And no Person shall be convicted without the [Concurrence](#) of two thirds of the Members present.

⁹ Levin, Mark R. (2013-08-13). The Liberty Amendments: Restoring the American Republic (Kindle Locations 456-459). Threshold Editions. Kindle Edition. Levin's in depth analysis of the original design of the Constitution and the preservation of the states' authority as counterweight to the overreaching power of the federal government give sound and strong reasoning to repealing the 17th Amendment and reverting to selection of Senators by the state legislatures. His thoughtful arguments for this measure are too long for republication here.

¹⁰ Levin, (Kindle Locations 456-459). The additions of the clauses allowing for the governors to appoint Senators to fill vacancies if state legislatures fail to act on their duty to elect, and the authority of the state legislatures to remove their Senators by two thirds vote, mitigate the vacancy issue used to argue for the ratification of the 17th Amendment and ensure the Senators remain responsive to their States.

¹¹ Requires proof of citizenship to run for public office and allows for the transition and immediate eligibility of qualified candidates who were previously qualified as citizens of the United States and who have become franchised citizens of the Representative Republic. Enfranchisement is defined in Article V, Section 10.

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Judgment in Cases of [Impeachment](#) shall not extend further than to removal from Office, and disqualification to hold and enjoy any Office of honor, Trust or Profit under the United States: but the Party convicted shall nevertheless be liable and subject to Indictment, Trial, Judgment and Punishment, according to Law.

Section 4 - Elections, Meetings

The Times, Places and Manner of holding Elections for Senators and Representatives, shall be prescribed in each State by the Legislature thereof; but the Congress may at any time by Law make or alter such Regulations, except as to the Place of [Chusing](#) Senators. The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 3d day of January, unless they shall by law appoint a different day.¹²

Section 5 - Membership, Rules, Journals, [Adjournment](#)

Each House shall be the Judge of the Elections, Returns and Qualifications of its own Members, and a Majority of each shall constitute a [Quorum](#) to do Business; but a smaller number may [adjourn](#) from day to day, and may be authorized to compel the Attendance of absent Members, in such Manner, and under such Penalties as each House may provide.

Each House may determine the Rules of its Proceedings, punish its Members for disorderly Behavior, and, with the [Concurrence](#) of two-thirds, expel a Member.

Each House shall keep a Journal of its Proceedings, and from time to time publish the same, excepting such Parts as may in their Judgment require Secrecy; and the Yeas and Nays of the Members of either House on any question shall, at the Desire of one fifth of those Present, be entered on the Journal.

Neither House, during the Session of Congress, shall, without the Consent of the other, [adjourn](#) for more than three days, nor to any other Place than that in which the two Houses shall be sitting.

Section 6 - Compensation

The Senators and Representatives shall receive a Compensation for their Services, to be ascertained by Law, and paid out of the Treasury of the Republic No law, varying the compensation for the services of the Senators and Representatives, shall take effect, until an election of Representatives shall have intervened.¹³

They shall in all Cases, except [Treason](#), Felony and Breach of the Peace, be privileged from Arrest during their Attendance at the Session of their respective Houses,

¹² The language of the 20th Amendment, establishing the start of Congressional terms on the 3rd of January replaces the original paragraph of Article I, Section 4.

¹³ Language of the 27th Amendment is inserted in the effected section dealing with compensation of the elected legislators and executives.

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and in going to and returning from the same; and for any Speech or Debate in either House, they shall not be questioned in any other Place.

No Senator or Representative shall, during the Time for which he was elected, be appointed to any civil Office under the Authority of the Representative Republic of the United States which shall have been created, or the [Emoluments](#) whereof shall have been increased during such time; and no Person holding any Office under the Republic, shall be a Member of either House during his Continuance in Office.

Section 7 - Revenue Bills, Legislative Process, Presidential Veto

All bills for raising Revenue shall originate in the House of Representatives; but the Senate may propose or [concur](#) with Amendments as on other Bills.

Every Bill which shall have passed the House of Representatives and the Senate, shall, before it become a Law, be presented to the President of the Republic; If he approve he shall sign it, but if not he shall return it, with his Objections to that House in which it shall have originated, who shall enter the Objections at large on their Journal, and proceed to reconsider it. If after such Reconsideration two thirds of that House shall agree to pass the Bill, it shall be sent, together with the Objections, to the other House, by which it shall likewise be reconsidered, and if approved by two thirds of that House, it shall become a Law. But in all such Cases the Votes of both Houses shall be determined by Yeas and Nays, and the Names of the Persons voting for and against the Bill shall be entered on the Journal of each House respectively. If any Bill shall not be returned by the President within ten Days (Sundays excepted) after it shall have been presented to him, the Same shall be a Law, in like Manner as if he had signed it, unless the Congress by their [Adjournment](#) prevent its Return, in which Case it shall not be a Law.

Every Order, Resolution, or Vote to which the [Concurrence](#) of the Senate and House of Representatives may be necessary (except on a question of [Adjournment](#)) shall be presented to the President of the United States; and before the Same shall take Effect, shall be approved by him, or being disapproved by him, shall be repassed by two thirds of the Senate and House of Representatives, according to the Rules and Limitations prescribed in the Case of a Bill.

Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a roll call vote.

Total outlays for any fiscal year shall not exceed 18 percent of economic output of the United States, unless two-thirds of each House of Congress shall provide for a specific increase of outlays above this amount.

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The limit on the debt of the United States held by the public shall not be increased unless three-fifths of the whole number of each House shall provide by law for such an increase by a roll call vote.

Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year in which total outlays do not exceed total receipts.

A bill to increase revenue shall not become law unless two-thirds of the whole number of each House shall provide by law for such an increase by a roll call vote.

The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.¹⁴

Section 8 - Powers of Congress

The Congress shall have Power To lay and collect Taxes, Duties, [Imposts](#) and [Excises](#), to pay the Debts and provide for the common Defense and general [Welfare](#) of the United States; but all Duties, [Imposts](#) and [Excises](#) shall be uniform throughout the United States;

To borrow money on the credit of the Representative Republic of the United States;

To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes;

To establish an uniform Rule of Naturalization, and uniform Laws on the subject of Bankruptcies throughout Republic;

¹⁴ Full language of the proposed Balanced Budget Amendment of the 112th Congress is incorporated in Section 7. House Calendar No. 49, 112TH CONGRESS, 1ST SESSION, H. J. RES. 1, [Report No. 112-117], Proposing a balanced budget amendment to the Constitution of the United States.

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To coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures;

To provide for the Punishment of counterfeiting the Securities and current Coin of the Republic;

To establish Post Offices and [Post Roads](#);

To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries;

To constitute Tribunals inferior to the supreme Court;

To define and punish Piracies and Felonies committed on the high Seas, and Offenses against the Law of Nations;

To declare War, grant [Letters of Marque](#) and [Reprisal](#), and make Rules concerning Captures on Land, Water, Air, and Space¹⁵;

To raise and support Armies, but no Appropriation of Money to that Use shall be for a longer Term than ten Years¹⁶;

To provide and maintain a Navy;

To provide and maintain an Air Force;

To provide and maintain a Space Force;

To make Rules for the Government and Regulation of the land, naval, air, and space Forces, including certain combat exclusions based on sex¹⁷;

To establish a uniform Rule of Enfranchisement service in the Militia.¹⁸

¹⁵ The addition of Air and Space Forces required to defend the interests of the Republic are added to reflect the advances in technologies.

¹⁶ The change of appropriations for periods of ten years from two years gives the legislative bodies the authority to extend appropriation for modern research and development projects to allow for a more efficient implementation of modernization of military forces to compete in a technologically advanced world. It in no way negates the responsibility nor the authority of the Congress to exercise oversight of military forces and to withdraw funding at any point or to provide appropriations for shorter periods.

¹⁷ The ability to segregate certain combat units based on sex is necessary for the preservation of combat readiness and capabilities. The acknowledgement of the common physical and emotional differences in the sexes does not detract from their inherent natural rights and equal protection under the law.

¹⁸ The Congress will establish uniform rules and regulations for qualifying voluntary active service in the Militia for Enfranchisement (voting) outlined in Article V. The People Section 10 – The Rights of Citizens.

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To provide for calling forth the Militia to execute the Laws of the Republic, suppress Insurrections and repel Invasions;

To provide for organizing, arming, and disciplining the Militia, and for governing such Part of them as may be employed in the Service of the Republic, reserving to the States respectively, the Appointment of the Officers, and the Authority of training the Militia according to the discipline prescribed by Congress;

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 Representative Republic of 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, dock-Yards, 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 Representative Republic of the United States, or in any Department or Officer thereof.

To establish by legislation, a single common national language for the conduct of all government business, elections, and legal proceedings and to unite the peoples of the many cultural and ethnic backgrounds under the common American culture of freedom, liberty, and responsibility.¹⁹

Section 9 - Limits on Congress

The privilege of the Writ of [Habeas Corpus](#) shall not be suspended, unless when in Cases of Rebellion or Invasion the public Safety may require it.

No Bill of [Attainder](#) or [ex post facto](#) Law shall be passed.

No capitation, or other direct, Tax shall be laid, unless in Proportion to the Census or [Enumeration](#) herein before directed to be taken. The Congress shall have no power to lay and collect taxes on incomes, from whatever source derived.²⁰

¹⁹ The authority to establish a national language is inserted to ensure that a common language is established in order to unite the peoples of our nation under a single American culture holding the highest values of liberty, freedom, and responsibility holding to the cultural underpinnings and definitions of common language and to avoid becoming a country of thoroughly divided cultures like Canada or Belgium.

²⁰ The 16th Amendment is deleted and the original language of the Constitution is restored, making any tax on income (federal income tax, social security tax, FICA, medicare tax, and estate or death taxes

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No Tax or Duty shall be laid on Articles exported from any State.

No Preference shall be given by any Regulation of Commerce or Revenue to the Ports of one State over those of another: nor shall Vessels bound to, or from, one State, be obliged to enter, clear, or pay Duties in another; nor shall any one industry, trade, or commercial company be favored over another in the free market place through subsidies or taxes, except for direct purchases authorized by the Congress for the good of the Republic.

No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.

No [Title of Nobility](#) shall be granted by the United States: And no Person holding any Office of Profit or Trust under them, shall, without the Consent of the Congress, accept of any present, [Emolument](#), Office, or Title, of any kind whatever, from any King, Prince or foreign State.

The Congress shall pass no law, to which the Senators, Representatives, and the members of their staffs shall not be subject.²¹

Section 10 - Powers prohibited of States

No State shall enter into any Treaty, Alliance, or Confederation; grant [Letters of Marque](#) and [Reprisal](#); coin Money; emit [Bills of Credit](#); make any Thing but gold and silver Coin a Tender in Payment of Debts; pass any Bill of [Attainder](#), [ex post facto](#) Law, or Law impairing the Obligation of Contracts, or grant any [Title of Nobility](#).

No State shall, without the Consent of the Congress, lay any [Imposts](#) or Duties on Imports or Exports, except what may be absolutely necessary for executing [it's](#) inspection Laws: and the net Produce of all Duties and [Imposts](#), laid by any State on Imports or Exports, shall be for the Use of the Treasury of the United States; and all such Laws shall be subject to the Revision and [Control](#) of the Congress.

No State shall, without the Consent of Congress, lay any duty of Tonnage, keep Troops, or Ships of War in time of Peace, enter into any Agreement or Compact with another State, or with a foreign Power, or engage in War, unless actually invaded, or in such imminent Danger as will not admit of delay.

unconstitutional. Article X, Transition, establishes the Fair Tax (National Sales Tax) as introduced in HR 25, 2007 as the immediate source of revenue for the Representative Republic.

²¹ Language added to ensure the Congress passes no laws limiting the freedom of the People from which they will exempt themselves and their staffs. The exemptions passed for the Congress on Affordable Care Act (Obamacare) is a prime example.

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Article. II. - The Executive Branch Note

Section 1 - The President Note1 Note2

The executive Power shall be vested in a President of the Representative Republic of the United States of America. He shall hold his Office during the Term of four Years, and, together with the Vice-President chosen for the same Term, be elected, as follows:

Each State shall appoint, in such Manner as the Legislature thereof may direct, a Number of Electors, equal to the whole Number of Senators and Representatives to which the State may be entitled in the Congress: but no Senator or Representative, or Person holding an Office of Trust or Profit under the United States, shall be appointed an Elector.

The Electors shall meet in their respective states, and vote by ballot for President and Vice-President, one of whom, at least, shall not be an inhabitant of the same state with themselves; they shall name in their ballots the person voted for as President, and in distinct ballots the person voted for as Vice-President, and they shall make distinct lists of all persons voted for as President, and of all persons voted for as Vice-President and of the number of votes for each, which lists they shall sign and certify, and transmit sealed to the seat of the government of the Representative Republic , directed to the President of the Senate;

The President of the Senate shall, in the presence of the Senate and House of Representatives, open all the certificates and the votes shall then be counted;

The person having the greatest Number of votes for President, shall be the President, if such number be a majority of the whole number of Electors appointed; and if no person have such majority, then from the persons having the highest numbers not exceeding three on the list of those voted for as President, the House of Representatives shall choose immediately, by ballot, the President. But in choosing the President, the votes shall be taken by states, the representation from each state having one vote; a quorum for this purpose shall consist of a member or members from two-thirds of the states, and a majority of all the states shall be necessary to a choice. And if the House of Representatives shall not choose a President whenever the right of choice shall devolve upon them, before the twentieth day of January next following, then the Vice-President shall act as President, as in the case of the death or other constitutional disability of the President.

The person having the greatest number of votes as Vice-President, shall be the Vice-President, if such number be a majority of the whole number of Electors appointed, and if no person have a majority, then from the two highest numbers on the list, the Senate shall choose the Vice-President; a quorum for the purpose shall consist of two-thirds of the whole number of Senators, and a majority of the whole number shall be necessary to a

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choice. But no person constitutionally ineligible to the office of President shall be eligible to that of Vice-President of the United States.²²

The Congress may determine the Time of [chusing](#) the Electors, and the Day on which they shall give their Votes; which Day shall be the same throughout the United States.

No person except a proven natural born and franchised Citizen of the Republic, or a proven, natural born Citizen of the United States, at the time of the Adoption of this Constitution having become an enfranchised citizen of the Representative Republic, shall be eligible to the Office of President; neither shall any Person be eligible to that Office who shall not have attained to the Age of thirty-five Years, and been fourteen Years a Resident within the United States or the Representative Republic of the United States.²³

The terms of the President and Vice President shall end at noon on the 20th day of January of the years in which such terms would have ended and the terms of their successors shall then begin.

No person shall be elected to the office of the President more than twice, and no person who has held the office of President, or acted as President, for more than two years of a term to which some other person was elected President shall be elected to the office of the President more than once.²⁴

The President shall, at stated Times, receive for his Services, a Compensation, which shall neither be increased nor diminished during the Period for which he shall have been elected, and he shall not receive within that Period any other [Emolument](#) from the Representative Republic of the United States, or any of the States.

Before he enter on the Execution of his Office, he shall take the following Oath or Affirmation:

"I do solemnly swear (or affirm) that I will faithfully execute the Office of President of the Representative Republic of the United States, and will to the best of my Ability, preserve, protect and defend the Constitution of the Representative Republic of the United States."

²² The language of the 12th Amendment dealing with the election of the President through the electoral college is inserted into Article II, Section 1. The date for the Electoral College to complete its election of the President is changed to the 20th of January in accordance with the language of the 20th Amendment establishing the start date of the Presidential term. The original language specifying the procedures for the election of the President, which the 12th Amendment superseded is deleted.

²³ Requires proof of natural born citizenship to run for and serve in office of President, and allows for the transition and immediate eligibility of qualified candidates who were previously qualified as citizens of the United States and who have become franchised citizens of the Representative Republic. Enfranchisement is defined in Article V, Section 10.

²⁴ The language of the 20th and 22th Amendments establishing the start date of Presidential and Congressional Terms, as well as the imposition of term limits on the office of President is inserted.

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Section 2 - Civilian Power over Military, Cabinet, Pardon Power, Appointments

The President shall be Commander in Chief of the Army, Navy, Air, and Space Forces of the Representative Republic United States, and of the Militia of the several States, when called into the actual Service of the Republic; he may require the Opinion, in writing, of the principal Officer in each of the executive Departments, upon any subject relating to the Duties of their respective Offices, and he shall have Power to Grant Reprieves and Pardons for Offenses against the Republic, except in Cases of [Impeachment](#).

He shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two thirds of the Senators present [concur](#); and he shall nominate, and by and with the Advice and Consent of the Senate, shall appoint Ambassadors, other public Ministers and Consuls, Judges of the supreme Court, and all other Officers of the United States, whose Appointments are not herein otherwise provided for, and which shall be established by Law: but the Congress may by Law vest the Appointment of such inferior Officers, as they think proper, in the President alone, in the Courts of Law, or in the Heads of Departments.

The President shall have Power to fill up all Vacancies that may happen during the Recess of the Senate, by granting Commissions which shall expire at the End of their next Session.

Section 3 - State of the Union, Convening Congress

He shall from time to time give to the Congress Information of the State of the Union, and recommend to their Consideration such Measures as he shall judge necessary and expedient; he may, on extraordinary Occasions, convene both Houses, or either of them, and in Case of Disagreement between them, with Respect to the Time of [Adjournment](#), he may [adjourn](#) them to such Time as he shall think proper; he shall receive Ambassadors and other public Ministers; he shall take Care that the Laws be faithfully executed, and shall Commission all the Officers of the United States.

Section 4 - Disqualification

The President, Vice President and all civil Officers of the United States, shall be removed from Office on [Impeachment](#) for, and Conviction of, [Treason](#), Bribery, or other high Crimes and Misdemeanors.

Section 5 - - Presidential Disability and Succession. 1. In case of the removal of the President from office or of his death or resignation, the Vice President shall become President.

2. Whenever there is a vacancy in the office of the Vice President, the President shall nominate a Vice President who shall take office upon confirmation by a majority vote of both Houses of Congress.

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3. Whenever the President transmits to the President pro tempore of the Senate and the Speaker of the House of Representatives his written declaration that he is unable to discharge the powers and duties of his office, and until he transmits to them a written declaration to the contrary, such powers and duties shall be discharged by the Vice President as Acting President.

4. Whenever the Vice President and a majority of either the principal officers of the executive departments or of such other body as Congress may by law provide, transmit to the President pro tempore of the Senate and the Speaker of the House of Representatives their written declaration that the President is unable to discharge the powers and duties of his office, the Vice President shall immediately assume the powers and duties of the office as Acting President.

Thereafter, when the President transmits to the President pro tempore of the Senate and the Speaker of the House of Representatives his written declaration that no inability exists, he shall resume the powers and duties of his office unless the Vice President and a majority of either the principal officers of the executive department or of such other body as Congress may by law provide, transmit within four days to the President pro tempore of the Senate and the Speaker of the House of Representatives their written declaration that the President is unable to discharge the powers and duties of his office. Thereupon Congress shall decide the issue, assembling within forty eight hours for that purpose if not in session. If the Congress, within twenty one days after receipt of the latter written declaration, or, if Congress is not in session, within twenty one days after Congress is required to assemble, determines by two thirds vote of both Houses that the President is unable to discharge the powers and duties of his office, the Vice President shall continue to discharge the same as Acting President; otherwise, the President shall resume the powers and duties of his office.

5. If, at the time fixed for the beginning of the term of the President, the President elect shall have died, the Vice President elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the President elect shall have failed to qualify, then the Vice President elect shall act as President until a President shall have qualified; and the Congress may by law provide for the case wherein neither a President elect nor a Vice President elect shall have qualified, declaring who shall then act as President, or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President or Vice President shall have qualified.

6. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons

from whom the Senate may choose a Vice President whenever the right of choice shall have devolved upon them.²⁵

Article III. - The Judicial Branch *Note*

Section 1 - Judicial powers

The judicial Power of the United States, shall be vested in one supreme Court, and in such inferior Courts as the Congress may from time to time [ordain](#) and establish. The Judges, both of the supreme and inferior Courts, shall hold their Offices during good Behavior, and shall, at stated Times, receive for their Services a Compensation which shall not be diminished during their Continuance in Office.

No person may serve as Chief Justice or Associate Justice of the Supreme Court for more than a combined total of twelve years.

Immediately upon Senate Confirmation of the justices, Congress will organize the justices of the Supreme Court as equally as possible into three classes. The terms of office for the justices in the First Class will expire at the end of the fourth Year following the ratification of this Constitution, the terms for the justices of the Second Class will expire at the end of the eighth Year, and of the Third Class at the end of the twelfth Year, so that one-third of the justices may be chosen every fourth Year.

When a vacancy occurs in the Supreme Court, the President shall nominate a new justice who, with the approval of a majority of the Senate, shall serve the remainder of the unexpired term. Justices who fill a vacancy for longer than half of an unexpired term may not be renominated to a full term.

Upon three-fifths vote of the House of Representatives and the Senate, Congress may override a majority opinion rendered by the Supreme Court.

The Congressional override under is not subject to a Presidential veto and shall not be the subject of litigation or review in any Federal or State court.

Upon vote of three-fifths of the several state legislatures, the States may override a majority opinion rendered by the Supreme Court.

The States' override shall not be the subject of litigation or review in any Federal or State court, or oversight or interference by Congress or the President.

²⁵ The language of the 25th Amendment detailing the line of succession to the Presidency in the event of his or her disability or death is inserted.

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Congressional or State override authority must be exercised no later than twenty-four months from the date of the Supreme Court rendering its majority opinion, after which date Congress and the States are prohibited from exercising the override.²⁶

Section 2 - Trial by Jury, Original Jurisdiction, Jury Trials

The judicial Power shall extend to all Cases, in Law and Equity, arising under this Constitution, the Laws of the Representative Republic of the United States, and Treaties made, or which shall be made, under their Authority; to all Cases affecting Ambassadors, other public Ministers and Consuls; to all Cases of admiralty and maritime [Jurisdiction](#); to Controversies to which the Republic shall be a Party; to Controversies between two or more States; between a State and Citizens of another State; between Citizens of different States; between Citizens of the same State claiming Lands under Grants of different States, and between a State, or the Citizens thereof, and foreign States, Citizens or Subjects The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State.

In all Cases affecting Ambassadors, other public Ministers and Consuls, and those in which a State shall be Party, the Supreme Court shall have original [Jurisdiction](#). In all the other Cases before mentioned, the Supreme Court shall have [appellate Jurisdiction](#), both as to Law and Fact, with such Exceptions, and under such Regulations as the Congress shall make.

The Trial of all Crimes, except in Cases of [Impeachment](#), shall be by Jury; and such Trial shall be held in the State where the said Crimes shall have been committed; but when not committed within any State, the Trial shall be at such Place or Places as the Congress may by Law have directed.

Section 3 - Treason [Note](#)

[Treason](#) against the Representative Republic of the United States, shall consist only in levying War against them, or in adhering to their Enemies, giving them Aid and Comfort.

²⁶ Levin, Mark R. (2013-08-13). *The Liberty Amendments: Restoring the American Republic* (Kindle Locations 668-685). Threshold Editions. Kindle Edition. Levin details how the Courts have repeatedly usurped the will of the people as expressed through elections and laws passed by the Legislature and approved by the President through judicial fiat. Activist judges with lifetime appointments have endowed themselves with the powers to “legislate from the bench” springing from their right of review. The incorporation of the language from the Liberty Amendments to limit the appointments to the Supreme Court to 12 years and to give the Congress and Senate and the Legislatures of the States the ability to overrule unjust judicial rulings places a Constitutional limitation on the over-reaching authorities and tyranny exercised by the Courts under the current United States Constitution.

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No Person shall be convicted of [Treason](#) unless on the Testimony of two Witnesses to the same overt Act, or on Confession in open Court.

The Congress shall have power to declare the Punishment of [Treason](#), but no Attainder of [Treason](#) shall work [Corruption of Blood](#), or Forfeiture except during the Life of the Person attainted.

Article. IV. - The States

Section 1 - Each State to Honor all others

Full Faith and Credit shall be given in each State to the public Acts, Records, and judicial Proceedings of every other State. And the Congress may by general Laws prescribe the Manner in which such Acts, Records and Proceedings shall be proved, and the Effect thereof.

Section 2 - State citizens, Extradition

The Citizens of each State shall be entitled to all Privileges and Immunities of Citizens in the several States.

A Person charged in any State with [Treason](#), Felony, or other Crime, who shall flee from Justice, and be found in another State, shall on demand of the executive Authority of the State from which he fled, be delivered up, to be removed to the State having [Jurisdiction](#) of the Crime.

Section 3 - New States

New States may be admitted by the Congress into this Union; but no new States shall be formed or erected within the [Jurisdiction](#) of any other State; nor any State be formed by the Junction of two or more States, or parts of States, without the Consent of the Legislatures of the States concerned as well as of the Congress.

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.

Section 4 - Republican government

The Representative Republic of the United States shall guarantee to every State in this Union a [Republican](#) Form of Government, and shall protect each of them against Invasion; and on Application of the Legislature, or of the Executive (when the Legislature cannot be convened) against domestic Violence.

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Section 5 - Powers of the States and People.

The powers not delegated to the Representative Republic of the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.²⁷

Article. V. – The People

Section 1 - Freedom of Religion, Press, [Expression](#). Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a [redress](#) of grievances.

Section 2 - Right to Bear Arms.

A well regulated Militia, being necessary to the security of a free State, the right of citizens to keep and bear Arms, shall not be [infringed](#).²⁸

Section 3 - Quartering of Soldiers. No Soldier shall, in time of peace be [quartered](#) in any house, without the consent of the Owner, nor in time of war, but in a manner to be prescribed by law.

Section 4 - Search and Seizure.

The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

²⁷ The language of the 10th Amendment is inserted to specify the rights and authorities of the States.

²⁸ The word “citizens” is substituted for the “the people” to ensure the right to keep and bear arms is reserved for all individual citizens for the protection of their natural and unalienable rights. The right must never be interpreted to mean a collective right tied only to the militia during service to the state.

Section 5 - Trial and Punishment, Compensation for Takings. No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the Militia, when in actual service in time of War or public danger; nor shall any person [be subject for the same offense to be twice put in jeopardy of life or limb](#); nor shall be compelled in any criminal case to be a witness against himself, nor be [deprived](#) of life, liberty, or property, without [due process](#) of law; nor shall private property be taken for public use, without just compensation.

Section 6 - Right to Speedy Trial, Confrontation of Witnesses. In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an [impartial](#) jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor, and to have the Assistance of Counsel for his [defense](#).

Section 7 - Trial by Jury in Civil Cases.

In Suits at common law, where the value in controversy shall exceed two thousand dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law.

Section 8 - Cruel and Unusual Punishment. Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted.

Section 9 - Construction of Constitution. The [enumeration](#) in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people.

Section 10 – The Rights of Citizens

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All persons born to at least one Citizen of the Representative Republic of the United States, or born to a permanent legal resident within the territory of the Republic, who acknowledges or is proven to have the rights and/or responsibilities of parenthood, or naturalized in the Republic, or naturally born a citizen of the United States or naturalized in the United States before January 3, 2009, and having applied and sworn an oath to support and defend the Constitution of the Representative Republic of the United States, and subject to the [jurisdiction](#) thereof, are citizens of the Republic and of the State wherein they reside. Citizenship is not granted to children born to tourists, illegal immigrants or aliens, foreign diplomats and their staffs, nor invading armies without naturalization.

No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the Republic; nor shall any State [deprive](#) any person of life (beginning at conception and ending at natural death), liberty, or property, without [due process](#) of law; nor deny to any person within its [jurisdiction](#) the equal protection of the laws.

Sovereign Franchise being the ultimate form of human authority, requires social responsibility. The citizens of the Representative Republic of United States, who are twenty one years of age or older and have voluntarily and honorably served on active duty for two years in the Militia (local, state, or federal military, law enforcement, or public health & safety services), or have been honorably discharged from service after completing a two year term, or having been honorably and medically discharged for injuries received in the course of their service, upon swearing a public oath to support and defend the Constitution of the Representative Republic of the United States, shall have the right to vote and the responsibility to sit on juries in the courts. Those citizens who attained the right to vote as citizens of the United States, upon swearing a public oath to support and defend the Constitution of the Representative Republic of the United States and accepting a Reserve appointment in the Militia, shall retain full Sovereign Franchise. Those citizens who have served in the Armed Forces, local, state or federal law enforcement or emergency services of the United States and who were honorably discharged from that service, shall retain full Sovereign Franchise upon swearing a public oath to support and defend the Constitution of the Representative Republic of the United States. The right of citizens of sound mind to become and remain enfranchised through service appropriate to their physical abilities, shall not be denied or abridged by the Republic or by any State without due process for criminal conviction or on account of race, color, sex, physical disability, or advanced age.²⁹

²⁹ The requirement of voluntary service to the Republic in order to vote is necessary to establish a voting population with proven interests in the good of the Republic. This concept was drawn from the writings of futurist author Robert Heinlein. This service to the Republic may be accomplished at any age by any adult of sound mind. It removes one of the great levers used to undermine the sovereignty of the United States; low information voters casting their votes for benefits from the Treasury. This clause helps to eliminate the effects of undermining laws such as the National Voter Registration Act of 1993 (aka Motor Voter Registration) which increased voter participation by people receiving public benefits or who would not normally take the time to register to vote on their own.

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The right of franchised citizens of the Representative Republic to vote in any primary or other election for President or Vice President, for electors for President or Vice President, or for Senator or Representative in Congress, shall not be denied or abridged by the Republic or any State by reason of failure to pay any [poll tax](#) or other tax.³⁰

Representatives shall be [apportioned](#) among the several States according to their respective numbers, counting the whole number of citizens in each State, excluding Indians not taxed. But when the right to vote at any election for the choice of electors for President and Vice-President of the Republic, Representatives in Congress, the Executive and Judicial officers of a State, or the members of the Legislature thereof, is denied to any of the franchised citizens of such State, being twenty-one years of age, and citizens of the Representative Republic of the United States, or in any way abridged, except for participation in rebellion, or other crime, the basis of representation therein shall be reduced in the proportion which the number of such citizens shall bear to the whole number of citizens twenty-one years of age in such State.

In recognition of the laws of nature, family and family relationships are determined by blood, marriage, or adoption. Marriage is defined as the legal union of one man and one woman to form a new family. The rights of parents to direct and control the raising of their children, including educational decisions, shall not be questioned without due process of law. Any government support of education will be attached to the child.³¹

No person shall be a Senator or Representative in Congress, or elector of President and Vice-President, or hold any office, civil or military, under the Representative Republic of the United States, or under any State, who, having previously taken an oath, as a member of Congress, or as an officer of the Republic, or as a member of any State legislature, or as an executive or judicial officer of any State in the Republic, to support the Constitution of the Representative Republic of the United States, shall have engaged in insurrection or rebellion against the same, or given aid or comfort to the enemies thereof. But Congress may by a vote of two-thirds of each House, remove such disability.

Section 11 – Slavery and Involuntarily Servitude

Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the Republic, or any place subject to their [jurisdiction](#).

Section 12 – Voting Rights in the Capital District.

³⁰ The language of the 24th Amendment, eliminating the poll tax, is inserted.

³¹ The recognition and definition of the family is necessary to safeguard it against the undermining and social engineering which has taken place in recent decades. The family is the most basic building block of any society. No society or nation can survive without it. Forced public schooling under the control of government sanctioned unions and federally mandated & funded standards has become one of the biggest tools for undermining the authority of parents, and increasing the reliance of individuals on the government for sustenance in exchange for limiting control over their lives.

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The District constituting the seat of Government of the Representative Republic of the United States shall appoint in such manner as the Congress may direct: A number of electors of President and Vice President equal to the whole number of Senators and Representatives in Congress to which the District would be entitled if it were a State, but in no event more than the least populous State; they shall be in addition to those appointed by the States, but they shall be considered, for the purposes of the election of President and Vice President, to be electors appointed by a State; and they shall meet in the District and perform such duties as provided by the twelfth article of amendment.

Article. VI. - Amendment [Note1](#) - [Note2](#) - [Note3](#)

The Congress, whenever two thirds of both Houses shall deem it necessary, shall propose Amendments to this Constitution, or, on the Application of the Legislatures of two thirds of the several States, shall call a Convention for proposing Amendments, which, in either Case, shall be valid to all Intents and Purposes, as part of this Constitution, when ratified by the Legislatures of three fourths of the several States, or by Conventions in three fourths thereof, as the one or the other Mode of Ratification may be proposed by the Congress; Provided that no Amendment which may be made prior to the second Enumeration (Census) under the authority of this Constitution shall in any manner effect the 3rd Clause (Apportionment of Representatives) of the Second Section of the first Article nor the Eighth Article; and that no State, without its Consent, shall be [deprived](#) of its equal Suffrage in the Senate.

Article. VII. - Debts, Supremacy, Oaths

All Debts contracted and Engagements entered into, before the Adoption of this Constitution, shall be as valid against the United States under this Constitution, as under the Confederation.

This Constitution, and the Laws of the Representative Republic of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the Republic, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding.

The Senators and Representatives before mentioned, and the Members of the several State Legislatures, and all executive and judicial Officers, both of the United States and of the several States, shall be bound by Oath or Affirmation, to support and defend this Constitution; but no religious Test shall ever be required as a Qualification to any Office or public Trust under the United States.

The validity of the public debt of the United States, authorized by law including debts incurred for payment of military retirements and pensions and bounties to Citizens of the Republic for services in the enforcement of laws and protection of the people of the

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United States³², and the payments of the old-age and survivors insurance trust fund (Social Security), the hospital insurance trust fund, and the Federal supplementary medical insurance trust fund (MediCare) benefits to those Citizens of the Republic born before January 1, 1962 and who were entitled under the laws of the United States upon the ratification of this Constitution, shall be honored by the Representative Republic of the United States. The disability insurance trust fund (Social Security Insurance) shall also be honored for those Citizens of the Republic who were qualified for and receiving payments under the laws of the United States upon ratification of this Constitution, until such time as the Congress shall establish new laws governing disability insurance.³³ But neither the Representative Republic of the United States nor any State formed within shall assume or pay any debt or obligation incurred by the United States after January 20, 2009. All such debts, obligations and claims shall be held illegal and void.³⁴ The Congress shall have power to enforce, by appropriate legislation, the provisions of this Clause.

No benefit shall be paid to non-citizens of the Republic, unless specifically authorized by the Congress for the good of the Republic for a term no longer than two years without renewal.

Article. VIII. – Transition Upon Ratification of this Constitution

The currency of the United States shall remain the currency of the Representative Republic of the United States until such time as the Congress of the Republic shall establish a new currency for the Republic.

The People and their Counties, States, and Territories of the Representative Republic of the United States remain committed to the sovereignty of the territory of the United States of America. Any claim, incursion, or occupation of any city, state, or territory of the United States by any foreign state or entity, even at the invitation of the United States of America will be considered an Act of War against the Representative Republic of the United States. This clause does not apply to the armed forces of those allied nations who are present in the United States for training purposes only and maintain their neutrality during this transition.

³² There are certain bonds and commitments between a society and those who voluntarily served to protect them, which drives the necessity to honor those commitments for the good of the Republic, no matter when they were incurred. In addition, it provides for the unhindered transfer of loyalties and skills of active and retired Service Members and Veterans to the Republic during the critical transition period.

³³ The assumption of debts for Social Security and MediCare payments for those citizens born on or before January 1, 1962 is to ensure that those who have been receiving, or will soon start receiving Social Security retirement benefits for which they paid during the course of their careers, and are now dependent upon them, will not lose their incomes. Those citizens born after these dates will have enough time to pursue private, untaxed retirement plans to replace their Social Security Retirement Benefits.

³⁴ The Citizens of the Republic, having almost uniformly rejected and protested the exponential increases in the debts forced upon the United States under the Obama Administration, will not incur these debts in their transition in establishing the Representative Republic.

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All natural born citizens of the United States at the time of the adoption of this Constitution and their children, and all citizens naturalized before January 20, 2009 and their children, who do not choose to become citizens of the Representative Republic of the United States, shall have the right to lawfully live within, and transit the sovereign territories of the Republic for the duration of their lives and will be afforded all rights and protections under the laws of the Republic and this Constitution. They will not be subject to any discrimination in the ownership, sale or purchase of property, freedom of travel, and access to and justice from the courts.

The laws of the United States, to include criminal, contract, and common law codes, the Uniform Code of Military Justice and Posse Comitatus, statutes of limitation, and standing legal precedents enacted before January 20, 2009, are adopted by the Representative Republic of the United States and the corresponding States, with the exception of those laws which violate this Constitution or forbid its implementation. The laws of the several states to include criminal, contract, and common law codes, statutes of limitation, and standing legal precedents enacted with or before the adoption of this Constitution, with the exception of those state laws which violate this Constitution or forbid its implementation, shall remain in force in the cities, counties, and states entering the Republic. Any references to the United States and or federal departments of the United States within these laws, shall be understood to refer to the Republic or its federal departments should they exist. Lawful authorities granted to federal departments of the United States which do not exist as federal departments of the Representative Republic, shall reside with the states. The adopted laws shall remain in force until such time as they are nullified by the appropriate legislative and executive or judicial authorities. There is no limitation on the prosecution of criminal acts under the laws of the Representative Republic, which were committed under the laws of the United States before the ratification of this Constitution, except as established by standing statutes of limitation.

All treaties with foreign nations ratified by the United States before January 20, 2009, shall be recognized and adopted by the Representative Republic of the United States, so long as the other signatory nations recognize the Representative Republic as a treaty partner. All treaties with the Indian Tribes of the United States shall be adopted as enforced and practiced by the United States at the time of ratification of this Constitution.

House Resolution 25, the Fair Tax Act of 2015, establishing the National Sales Tax, is hereby adopted in its entirety, with the exception of:

Section 104 (d) EFFECTIVE DATE. is changed to read: “Except as otherwise provided in this Act, the amendments made by this Act shall take effect on January 1 of the first calendar year following its adoption.”

The Fair Tax system shall remain in effect until such time as the Congress alters it or institutes a new tax system. Any references to the United States and or federal departments of the United States within the law, shall be understood to refer to the Republic or its departments should they exist. Individual clauses nullified by this Constitution and its adoption, will have no impact on the validity of the rest of the law.

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Those local and county tax systems shall remain in force until such time as the appropriate councils or legislatures alter them. The tax systems of those states adopting this Constitution shall remain in effect until appropriately altered by their legislatures.

Payment of military retirements and pensions and bounties to Citizens of the Republic for services in the enforcement of laws and protection of the people of the United States, and qualified Social Security Retirement, Social Security Insurance, and Medicare benefits as well as rebate payments under the Fair Tax Act will be made only to those citizens of the Republic residing within the recognized territories of the Republic. No payments shall be made to persons residing in the territories of the United States of America which have not yet joined the Republic, nor to those non-citizens of the Republic residing within its territories. When they deem appropriate, Legislative and Executive Branches may extend payments of rebates, retirements, and benefits to certain citizens of the Republic who reside outside the territories of the Republic, so long as they maintain their Home of Record within the Republic.

Elected county or city supervisors, commissioners, or executive civil officials shall exercise executive authorities to include:

- The collection of the national sales tax under the Fair Tax Act;
- The registration and administration of rebate payments until their transfer to the Department of Treasury of the Representative Republic;
 - Executive civil authority over the Sheriff and the Militia until the transfer of those members serving in the federal military and law enforcement services are transferred to their appropriate federal department under the authority of the President of the Republic;
 - Appoint state legislators, if not elected through popular election, until such time as regular elections may be held.

In those states where the elected Governor and the majority of the elected Legislature and counties ratify this Constitution and swear an oath to support and defend the Constitution of the Representative Republic, the Governor and the Legislature shall continue to exercise their authorities under their State Constitutions to include command and control of the Militia.

The appointed and elected state legislatures shall elect and appoint members of the House of Representatives and the Senate to take office not later than noon on January 3, of the year following the adoption of this Constitution through popular election.

The House of Representatives shall elect a President to take office on January 20, of the year following the adoption of this Constitution by popular election.

Popular national elections shall be held on the Tuesday following the first Monday of November of the first even number year following the adoption of this Constitution.

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Sheriffs shall enforce the recognized County, State, and Federal laws where they reside and maintain civil order, exercise command and control of the militia and their appointed posses, with responsibility for preventing any military or law enforcement efforts of the federal or state agencies of the United States to suppress the rights of the people, through arrests, audits, recalls to Active Military Service, or seizures of assets. Transitioning members of the military, while serving under the command and control of the Sheriffs, will exercise no arrest or law enforcement authorities. They may however, under the direct supervision of the Sheriff or his sworn Deputies provide security, logistics, disaster, and riot control assistance to county and state officials in keeping with the traditional roles of the National Guard.

The authorities of the Federal Agencies of the United States, including but not limited to, the Federal Bureau of Investigation, the Bureau of Alcohol, Tobacco, Fire Arms, and Explosives, the Internal Revenue Service, the Environmental Protection Agency, and the Department of Defense to enforce any law of the United States against the citizens of the Representative Republic is not recognized. Any agent of the United States committing such an act, except under the authority of the recognized civil authorities and law enforcement agencies of the Representative Republic, shall be prosecuted under the laws of the Representative Republic.

Fugitives fleeing prosecution in states and territories of the United States for crimes not related to political activities, taxation issues, or simple firearms and ammunition possession (other than in the commission of other crimes), shall be extradited to the territories in which the crime is prosecuted so long as the states and territories provide reciprocal recognition and authorities.

Members of the Federal and State military departments, Department of State, Department of the Treasury, and intelligence and law enforcement agencies of the United States, with the exception of appointed Secretaries, Agency Directors, General Officers and members of the Senior Executive Service, may transition in their current service ranks to the Representative Republic of the United States by presenting to the County Sheriffs or offices of the Governors of the States in the Representative Republic, enlisting under the authorities of their offices and swearing to support and defend the Constitution of the Representative Republic of the United States, until such time as they may transfer to the appropriately established Executive Departments of the Representative Republic. Secretaries, Agency Directors, General Officers, and members of the Senior Executive Service must apply through a board process established by the Executive Departments of the Republic and approved by the Congress.

During the transition period, those Military and Department of Energy Officers maintaining control of nuclear, biological, and/or chemical weapons will safeguard those weapons at all costs and will ensure their destruction to prevent them from falling under the control of any organization other than the Department of Defense of the Representative Republic under the command and control of the elected President of the Representative Republic of the United States. During the transition, those officers will liaise with the appropriate local, county, or state authorities for the protection of such

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weapons. County civil officials will ensure the payments of salaries to those military members safeguarding such weapons. County Sheriffs and their posses will support the commanders of such weapons in their protection. However, no county official will exercise command and control over these weapons. During the transition period, the Officers, Soldiers, and Sailors in charge of these weapons will not accept any orders of relief from any authority in their charge of the weapons until they are transitioned to the command and control of the President of the Representative Republic of the United States, or rendered safe and unusable. However, they may, on launch orders of the President of the United States, employ such weapons against foreign enemies in response to attacks against the territories and people of the Representative Republic of the United States or the United States of America.

The authorities of all other federal departments of the United States other than the Departments of State, Treasury, and Defense and those federal law enforcement agencies retained by the Federal Legislature of the Republic, shall be assumed by the States.

The Territories of the United States, may, by popular vote, choose to join the Representative Republic of the United States in their current status as Territories, choose independence, or remain in the United States so long as it exists.

The initial meetings of the Legislative and Executive branches shall be held in commercial convention facilities located in the county with the highest percentage of votes cast in favor of adopting this Constitution. If there is no such facility in that county capable of handling such a meeting, a facility will be chosen in the county with the next largest percentage of votes cast in favor of adopting this Constitution, until an appropriate location is found. Until such time as the Legislative and Executive Branches may establish a neutral capital district to house the seats of the three Branches of Government, or assume offices in the Federal Buildings in Washington, DC, they shall establish their offices in an appropriately designated and neutral federal district ceded from two states or on board ship in the neutral nautical waters between at least two States of the Republic.

Article. IX. - Ratification [Documents](#)

This Constitution shall take effect immediately upon the popular election by the people of the individual states, counties, and cities where it is chosen by vote on a Declaration of Independence which specifies the adoption of this Constitution under the sovereignty of the Representative Republic of the United States.

By popular election of the people of the listed cities and counties of the states shown below entering the Representative Republic of the United States on these dates:

Alabama

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Alaska

Arizona

Arkansas

California

Colorado

Connecticut

Delaware

District of Columbia

Florida

Georgia

Hawaii

Indiana

Illinois

Iowa

Idaho

Kansas

Kentucky

Louisiana

Maine

Maryland

Massachusetts

Michigan

Minnesota

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Mississippi

Missouri

Montana

Nebraska

Nevada

New Hampshire

New Jersey

New Mexico

New York

North Carolina

North Dakota

Ohio

Oklahoma

Oregon

Pennsylvania

Rhode Island

South Carolina

South Dakota

Tennessee

Texas

Utah

Vermont

Virginia

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Washington

West Virginia

Wisconsin

Wyoming

APPENDIX I

Fair Tax Act of 2015

The following text is taken directly from the Congressional Website <https://www.congress.gov/bill/114th-congress/house-bill/25/text>. Adopted in full under the Constitution of the Representative republic, it would take effect on January 1, in the year immediately following adoption of the new Constitution. However, the monthly tax rebates would only be paid to citizens of the Republic. During the transition period, only those citizens residing within the territory of the Republic will received benefits paid by the Republic.

Introduced in House (01/06/2015)

This bill is a tax reform proposal that imposes a national sales tax on the use or consumption in the United States of taxable property or services in lieu of the current income and corporate income tax, employment and self-employment taxes, and estate and gift taxes. The rate of the sales tax will be 23% in 2017, with adjustments to the rate in subsequent years. There are exemptions from the tax for used and intangible property, for property or services purchased for business, export, or investment purposes, and for state government functions.

Under the bill, family members who are lawful U.S. residents receive a monthly sales tax rebate (Family Consumption Allowance) based upon criteria related to family size and poverty guidelines.

2015 Fair Tax Prebate Schedule

One-adult household				Two-adult household			
Size of Family	Annual Consumption Allowance	Annual Prebate	Monthly Prebate	Size of Family	Annual Consumption Allowance	Annual Prebate	Monthly Prebate
1 person	\$11,770	\$2,707	\$226	couple	\$23,540	\$5,414	\$451
and 1 child	\$15,930	\$3,664	\$305	and 1 child	\$27,700	\$6,371	\$531
and 2 children	\$20,090	\$4,621	\$385	and 2 children	\$31,860	\$7,328	\$611
and 3 children	\$24,250	\$5,578	\$465	and 3 children	\$36,020	\$8,285	\$690
and 4 children	\$28,410	\$6,534	\$545	and 4 children	\$40,180	\$9,241	\$770
and 5 children	\$32,570	\$7,491	\$624	and 5 children	\$44,340	\$10,198	\$850
and 6 children	\$36,490	\$8,393	\$699	and 6 children	\$48,500	\$11,155	\$930
and 7 children	\$40,890	\$9,405	\$784	and 7 children	\$52,660	\$12,112	\$1,009

For Families/households with more than 8 persons, add \$4,160 to the annual consumption allowance for each additional person. The annual consumption allowance is based on the DHHS 2015 HHS Poverty Guidelines as published in the Federal Register, January 22, 2015. The annual prebate equals 23% of the annual consumption allowance.

Table Source: <http://fairtax-psyclone.netdna-ssl.com/media/attachments/549999512017a86464000320.pdf?1422935460>, Feb 13, 2015.

Appendix I The Fair Tax

The states have the responsibility for administering, collecting, and remitting the sales tax to the Treasury.

Tax revenues are to be allocated among: (1) the general revenue, (2) the old-age and survivors insurance trust fund, (3) the disability insurance trust fund, (4) the hospital insurance trust fund, and (5) the federal supplementary medical insurance trust fund.

No funding is allowed for the operations of the Internal Revenue Service after FY2019.

Finally, the bill terminates the national sales tax if the Sixteenth Amendment to the Constitution (authorizing an income tax) is not repealed within seven years after the enactment of this Act. However, with the 16th Amendment to the United States Constitution is repealed with adoption of the Constitution of the Representative Republic. Therefore, the Fair Tax will remain in effect until the implementation of a new tax system by the Congress.

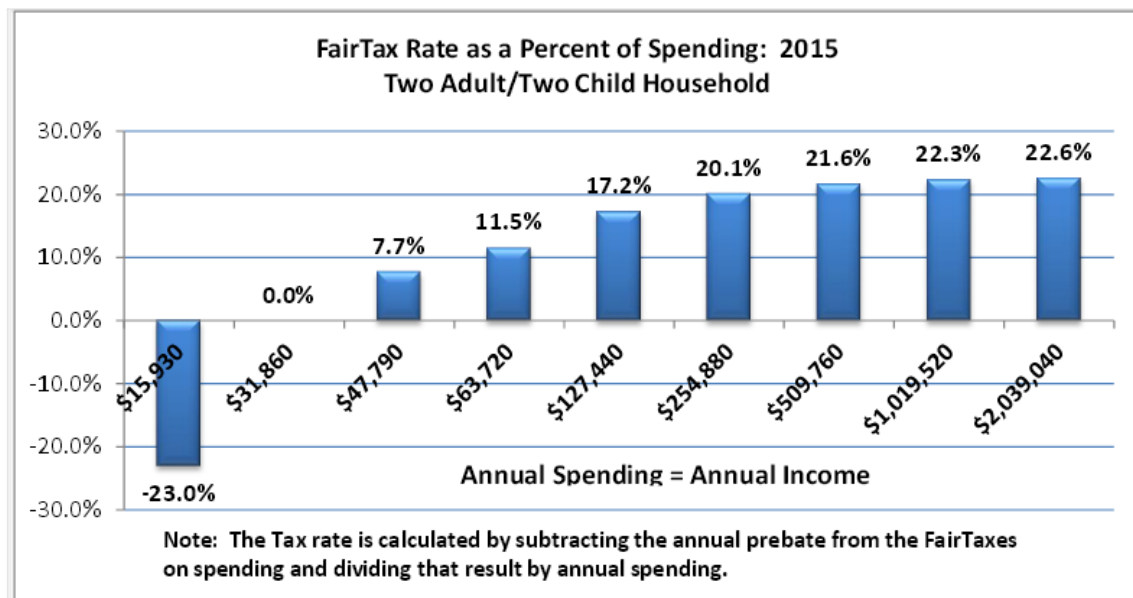


Table Source: <http://fairtax-psyclone.netdna-ssl.com/media/attachments/549999512017a86464000320.pdf?1422935460>, Feb 13, 2015.

[Congressional Bills 114th Congress]
[From the U.S. Government Printing Office]
[H.R. 25 Introduced in House (IH)]

114th CONGRESS
1st Session

H. R. 25

To promote freedom, fairness, and economic opportunity by repealing the income tax and other taxes, abolishing the Internal Revenue Service, and enacting a national sales tax to be administered primarily by the States.

IN THE HOUSE OF REPRESENTATIVES

January 6, 2015

Mr. Woodall (for himself, Mr. Price of Georgia, Mr. King of Iowa, Mr. Bishop of Utah, Mr. Conaway, Mr. Kline, Mr. McCaul, Mr. Miller of Florida, Mr. Thornberry, Mr. Brady of Texas, Ms. Jenkins of Kansas, Mr. Marchant, Mr. Culberson, Mr. Bilirakis, Mr. Westmoreland, Mr. Graves of Georgia, Mr. Long, Mr. Massie, Mr. Posey, Mr. Yoder, Mr. DesJarlais, Mr. Meadows, Mr. Collins of Georgia, Mr. Huelskamp, Mr. Bridenstine, Ms. Foxx, Mr. Mica, Mr. McClintock, Mr. Salmon, Mr. Neugebauer, Mr. Stutzman, Mr. Roe of Tennessee, Mr. Graves of Missouri, Mr. Poe of Texas, Mr. Franks of Arizona, Mr. Crenshaw, Ms. Granger, Mr. Nugent, Mr. DeSantis, Mr. Pompeo, Mr. Flores, Mr. Duncan of Tennessee, Mr. Walberg, Mr. Farenthold, Mr. Olson, Mr. Harris, Mr. Yoho, Mr. Duncan of South Carolina, Mr. Rooney of Florida, Mr. Wittman, Mr. Lucas, Mr. Mullin, Mr. Chabot, Mr. Ribble, Mr. Brat, Mr. Loudermilk, Mr. Hice of Georgia, and Mr. Carter of Georgia) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To promote freedom, fairness, and economic opportunity by repealing the income tax and other taxes, abolishing the Internal Revenue Service, and enacting a national sales tax to be administered primarily by the States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.--This Act may be cited as the ``FairTax Act of 2015''.

(b) Table of Contents.--The table of contents for this Act is as

follows:

Sec. 1. Short title; table of contents.

Sec. 2. Congressional findings.

TITLE I--REPEAL OF THE INCOME TAX, PAYROLL TAXES, AND ESTATE AND GIFT TAXES

Sec. 101. Income taxes repealed.

Sec. 102. Payroll taxes repealed.

Sec. 103. Estate and gift taxes repealed.

Sec. 104. Conforming amendments; effective date.

TITLE II--SALES TAX ENACTED

Sec. 201. Sales tax.

Sec. 202. Conforming and technical amendments.

TITLE III--OTHER MATTERS

Sec. 301. Phase-out of administration of repealed Federal taxes.

Sec. 302. Administration of other Federal taxes.

Sec. 303. Sales tax inclusive Social Security benefits indexation.

TITLE IV--SUNSET OF SALES TAX IF SIXTEENTH AMENDMENT NOT REPEALED

Sec. 401. Elimination of sales tax if Sixteenth Amendment not repealed.

SEC. 2. CONGRESSIONAL FINDINGS.

(a) Findings Relating to Federal Income Tax.--Congress finds the Federal income tax--

(1) retards economic growth and has reduced the standard of living of the American public;

(2) impedes the international competitiveness of United States industry;

(3) reduces savings and investment in the United States by taxing income multiple times;

(4) slows the capital formation necessary for real wages to steadily increase;

(5) lowers productivity;

(6) imposes unacceptable and unnecessary administrative and compliance costs on individual and business taxpayers;

(7) is unfair and inequitable;

(8) unnecessarily intrudes upon the privacy and civil rights of United States citizens;

(9) hides the true cost of government by embedding taxes in the costs of everything Americans buy;

(10) is not being complied with at satisfactory levels and therefore raises the tax burden on law abiding citizens; and

(11) impedes upward social mobility.

(b) Findings Relating to Federal Payroll Taxes.--Congress finds further that the Social Security and Medicare payroll taxes and self-employment taxes--

(1) raise the cost of employment;

(2) destroy jobs and cause unemployment; and

(3) have a disproportionately adverse impact on lower income Americans.

(c) Findings Relating to Federal Estate and Gift Taxes.--Congress finds further that the Federal estate and gift taxes--

- (1) force family businesses and farms to be sold by the family to pay such taxes;
- (2) discourage capital formation and entrepreneurship;
- (3) foster the continued dominance of large enterprises over small family-owned companies and farms; and
- (4) impose unacceptably high tax planning costs on small businesses and farms.

(d) Findings Relating to National Sales Tax.--Congress finds further that a broad-based national sales tax on goods and services purchased for final consumption--

- (1) is similar in many respects to the sales and use taxes in place in 45 of the 50 States;
- (2) will promote savings and investment;
- (3) will promote fairness;
- (4) will promote economic growth;
- (5) will raise the standard of living;
- (6) will increase investment;
- (7) will enhance productivity and international competitiveness;
- (8) will reduce administrative burdens on the American taxpayer;
- (9) will improve upward social mobility; and
- (10) will respect the privacy interests and civil rights of taxpayers.

(e) Findings Relating to Administration of National Sales Tax.--Congress further finds that--

- (1) most of the practical experience administering sales taxes is found at the State governmental level;
- (2) it is desirable to harmonize Federal and State collection and enforcement efforts to the maximum extent possible;
- (3) it is sound tax administration policy to foster administration and collection of the Federal sales tax at the State level in return for a reasonable administration fee to the States; and
- (4) businesses that must collect and remit taxes should receive reasonable compensation for the cost of doing so.

(f) Findings Relating To Repeal of Present Federal Tax System.--Congress further finds that the 16th Amendment to the United States Constitution should be repealed.

TITLE I--REPEAL OF THE INCOME TAX, PAYROLL TAXES, AND ESTATE AND GIFT TAXES

SEC. 101. INCOME TAXES REPEALED.

Subtitle A of the Internal Revenue Code of 1986 (relating to income taxes and self-employment taxes) is repealed.

SEC. 102. PAYROLL TAXES REPEALED.

(a) In General.--Subtitle C of the Internal Revenue Code of 1986 (relating to payroll taxes and withholding of income taxes) is repealed.

(b) Funding of Social Security.--For funding of the Social Security Trust Funds from general revenue, see section 201 of the Social

Security Act (42 U.S.C. 401).

SEC. 103. ESTATE AND GIFT TAXES REPEALED.

Subtitle B of the Internal Revenue Code of 1986 (relating to estate and gift taxes) is repealed.

SEC. 104. CONFORMING AMENDMENTS; EFFECTIVE DATE.

(a) Conforming Amendments.--The Internal Revenue Code of 1986 is amended--

(1) by striking subtitle H (relating to financing of Presidential election campaigns), and

(2) by redesignating--

(A) subtitle D (relating to miscellaneous excise taxes) as subtitle B,

(B) subtitle E (relating to alcohol, tobacco, and certain other excise taxes) as subtitle C,

(C) subtitle F (relating to procedure and administration) as subtitle D,

(D) subtitle G (relating to the Joint Committee on Taxation) as subtitle E,

(E) subtitle I (relating to the Trust Fund Code) as subtitle F,

(F) subtitle J (relating to coal industry health benefits) as subtitle G, and

(G) subtitle K (relating to group health plan portability, access, and renewability requirements) as subtitle H.

(b) Redesignation of 1986 Code.--

(1) In general.--The Internal Revenue Code of 1986 enacted on October 22, 1986, as heretofore, hereby, or hereafter amended, may be cited as the Internal Revenue Code of 2015.

(2) References in laws, etc.--Except when inappropriate, any reference in any law, Executive order, or other document--

(A) to the Internal Revenue Code of 1986 shall include a reference to the Internal Revenue Code of 2015, and

(B) to the Internal Revenue Code of 2015 shall include a reference to the provisions of law formerly known as the Internal Revenue Code of 1986.

(c) Additional Amendments.--For additional conforming amendments, see section 202 of this Act.

(d) Effective Date.--Except as otherwise provided in this Act, the amendments made by this Act shall take effect on January 1, 2017.

TITLE II--SALES TAX ENACTED

SEC. 201. SALES TAX.

(a) In General.--The Internal Revenue Code of 2015 is amended by inserting before subtitle B (as redesignated by section 104(a)(2)(A)) the following new subtitle:

``Subtitle A--Sales Tax

- ``Sec. 1. Principles of interpretation.
- ``Sec. 2. Definitions.
 - ``Chapter 1. Interpretation; Definitions; Imposition of Tax; etc.
 - ``Chapter 2. Credits; Refunds
 - ``Chapter 3. Family Consumption Allowance
 - ``Chapter 4. Federal and State Cooperative Tax Administration
 - ``Chapter 5. Other Administrative Provisions
 - ``Chapter 6. Collections; Appeals; Taxpayer Rights
 - ``Chapter 7. Special Rules
 - ``Chapter 8. Financial Intermediation Services
 - ``Chapter 9. Additional Matters

``SEC. 1. PRINCIPLES OF INTERPRETATION.

``(a) In General.--Any court, the Secretary, and any sales tax administering authority shall consider the purposes of this subtitle (as set forth in subsection (b)) as the primary aid in statutory construction.

``(b) Purposes.--The purposes of this subtitle are as follows:

``(1) To raise revenue needed by the Federal Government in a manner consistent with the other purposes of this subtitle.

``(2) To tax all consumption of goods and services in the United States once, without exception, but only once.

``(3) To prevent double, multiple, or cascading taxation.

``(4) To simplify the tax law and reduce the administration costs of, and the costs of compliance with, the tax law.

``(5) To provide for the administration of the tax law in a manner that respects privacy, due process, individual rights when interacting with the government, the presumption of innocence in criminal proceedings, and the presumption of lawful behavior in civil proceedings.

``(6) To increase the role of State governments in Federal tax administration because of State government expertise in sales tax administration.

``(7) To enhance generally cooperation and coordination among State tax administrators; and to enhance cooperation and coordination among Federal and State tax administrators, consistent with the principle of intergovernmental tax immunity.

``(c) Secondary Aids to Statutory Construction.--As a secondary aid in statutory construction, any court, the Secretary, and any sales tax administering authority shall consider--

``(1) the common law canons of statutory construction;

``(2) the meaning and construction of concepts and terms used in the Internal Revenue Code of 1986 as in effect before the effective date of this subtitle; and

``(3) construe any ambiguities in this Act in favor of reserving powers to the States respectively, or to the people.

``SEC. 2. DEFINITIONS.

``(a) In General.--For purposes of this subtitle--

``(1) Affiliated firms.--A firm is affiliated with another if 1 firm owns 50 percent or more of--

``(A) the voting shares in a corporation, or

``(B) the capital interests of a business firm that is not a corporation.

``(2) Conforming state sales tax.--The term `conforming State sales tax' means a sales tax imposed by a State that adopts the same definition of taxable property and services as adopted by this subtitle.

``(3) Designated commercial private courier service.--The term `designated commercial private courier service' means a firm designated as such by the Secretary or any sales tax administering authority, upon application of the firm, if the firm--

``(A) provides its services to the general public,

``(B) records electronically to its data base kept in the regular course of its business the date on which an item was given to such firm for delivery, and

``(C) has been operating for at least 1 year.

``(4) Education and training.--The term `education and training' means tuition for primary, secondary, or postsecondary level education, and job-related training courses. Such term does not include room, board, sports activities, recreational activities, hobbies, games, arts or crafts or cultural activities.

``(5) Gross payments.--The term `gross payments' means payments for taxable property or services, including Federal taxes imposed by this title.

``(6) Intangible property.--

``(A) In general.--The term `intangible property' includes copyrights, trademarks, patents, goodwill, financial instruments, securities, commercial paper, debts, notes and bonds, and other property deemed intangible at common law. The Secretary shall, by regulation resolve differences among the provisions of common law of the several States.

``(B) Certain types of property.--Such term does not include tangible personal property (or rents or leaseholds of any term thereon), real property (or rents or leaseholds of any term thereon) and computer software.

``(7) Person.--The term `person' means any natural person, and unless the context clearly does not allow it, any corporation, partnership, limited liability company, trust, estate, government, agency, administration, organization, association, or other legal entity (foreign or domestic.)

``(8) Produce, provide, render, or sell taxable property or services.--

``(A) In general.--A taxable property or service is used to produce, provide, render, or sell a taxable property or service if such property or service is purchased by a person engaged in a trade or business

for the purpose of employing or using such taxable property or service in the production, provision, rendering, or sale of other taxable property or services in the ordinary course of that trade or business.

``(B) Research, experimentation, testing, and development.--Taxable property or services used in a trade or business for the purpose of research, experimentation, testing, and development shall be treated as used to produce, provide, render, or sell taxable property or services.

``(C) Insurance payments.--Taxable property or services purchased by an insurer on behalf of an insured shall be treated as used to produce, provide, render, or sell taxable property or services if the premium for the insurance contract giving rise to the insurer's obligation was subject to tax pursuant to section 801 (relating to financial intermediation services).

``(D) Education and training.--Education and training shall be treated as services used to produce, provide, render, or sell taxable property or services.

``(9) Registered seller.--The term `registered seller' means a person registered pursuant to section 502.

``(10) Sales tax administering authority.--The term `sales tax administering authority' means--

``(A) the State agency designated to collect and administer the sales tax imposed by this subtitle, in an administering State, or

``(B) the Secretary, in a State that is neither--

``(i) an administering State, nor

``(ii) a State that has elected to have its sales tax administered by an administering State.

``(11) Secretary.--The term `Secretary' means the Secretary of the Treasury.

``(12) Taxable employer.--

``(A) In general.--The term `taxable employer' includes--

``(i) any household employing domestic servants, and

``(ii) any government except for government enterprises (as defined in section 704).

``(B) Exceptions.--The term `taxable employer' does not include any employer which is--

``(i) engaged in a trade or business,

``(ii) a not-for-profit organization (as defined in section 706), or

``(iii) a government enterprise (as defined in section 704).

``(C) Cross reference.--For rules relating to collection and remittance of tax on wages by taxable employers, see section 103(b)(2).

``(13) Tax inclusive fair market value.--The term `tax inclusive fair market value' means the fair market value of taxable property or services plus the tax imposed by this

subtitle.

``(14) Taxable property or service.--

``(A) General rule.--The term `taxable property or service' means--

``(i) any property (including leaseholds of any term or rents with respect to such property) but excluding--

``(I) intangible property, and

``(II) used property, and

``(ii) any service (including any financial intermediation services as determined by section 801).

``(B) Service.--For purposes of subparagraph (A), the term `service'--

``(i) shall include any service performed by an employee for which the employee is paid wages or a salary by a taxable employer, and

``(ii) shall not include any service performed by an employee for which the employee is paid wages or a salary--

``(I) by an employer in the regular course of the employer's trade or business,

``(II) by an employer that is a not-for-profit organization (as defined in section 706),

``(III) by an employer that is a government enterprise (as defined in section 704), and

``(IV) by taxable employers to employees directly providing education and training.

``(15) United states.--The term `United States', when used in the geographical sense, means each of the 50 States, the District of Columbia, and any commonwealth, territory, or possession of the United States.

``(16) Used property.--The term `used property' means--

``(A) property on which the tax imposed by section 101 has been collected and for which no credit has been allowed under section 202, 203, or 205, or

``(B) property that was held other than for a business purpose (as defined in section 102(b)) on December 31, 2016.

``(17) Wages and salary.--The terms `wage' and `salary' mean all compensation paid for employment service including cash compensation, employee benefits, disability insurance, or wage replacement insurance payments, unemployment compensation insurance, workers' compensation insurance, and the fair market value of any other consideration paid by an employer to an employee in consideration for employment services rendered.

``(b) Cross References.--

``(1) For the definition of business purposes, see section 102(b).

``(2) For the definition of insurance contract, see section 206(e).

``(3) For the definition of qualified family, see section

302.

``(4) For the definition of monthly poverty level, see section 303.

``(5) For the definition of large seller, see section 501(e) (3).

``(6) For the definition of hobby activities, see section 701.

``(7) For the definition of gaming sponsor, see section 701(a).

``(8) For the definition of a chance, see section 701(b).

``(9) For the definition of government enterprise, see section 704(b).

``(10) For the definition of mixed use property, see section 705.

``(11) For the definition of qualified not-for-profit organization, see section 706.

``(12) For the definition of financial intermediation services, see section 801.

``CHAPTER 1--INTERPRETATION; DEFINITIONS; IMPOSITION OF TAX; ETC.

``Sec. 101. Imposition of sales tax.

``Sec. 102. Intermediate and export sales.

``Sec. 103. Rules relating to collection and remittance of tax.

``SEC. 101. IMPOSITION OF SALES TAX.

``(a) In General.--There is hereby imposed a tax on the use or consumption in the United States of taxable property or services.

``(b) Rate.--

``(1) For 2017.--In the calendar year 2017, the rate of tax is 23 percent of the gross payments for the taxable property or service.

``(2) For years after 2017.--For years after the calendar year 2017, the rate of tax is the combined Federal tax rate percentage (as defined in paragraph (3)) of the gross payments for the taxable property or service.

``(3) Combined federal tax rate percentage.--The combined Federal tax rate percentage is the sum of--

``(A) the general revenue rate (as defined in paragraph (4)),

``(B) the old-age, survivors and disability insurance rate, and

``(C) the hospital insurance rate.

``(4) General revenue rate.--The general revenue rate shall be 14.91 percent.

``(c) Coordination With Import Duties.--The tax imposed by this section is in addition to any import duties imposed by chapter 4 of title 19, United States Code. The Secretary shall provide by regulation that, to the maximum extent practicable, the tax imposed by this section on imported taxable property and services is collected and administered in conjunction with any applicable import duties imposed by the United States.

``(d) Liability for Tax.--

``(1) In general.--The person using or consuming taxable property or services in the United States is liable for the tax

imposed by this section, except as provided in paragraph (2) of this subsection.

``(2) Exception where tax paid to seller.--A person using or consuming a taxable property or service in the United States is not liable for the tax imposed by this section if the person pays the tax to a person selling the taxable property or service and receives from such person a purchaser's receipt within the meaning of section 509.

``SEC. 102. INTERMEDIATE AND EXPORT SALES.

``(a) In General.--For purposes of this subtitle--

``(1) Business and export purposes.--No tax shall be imposed under section 101 on any taxable property or service purchased for a business purpose in a trade or business.

``(2) Investment purpose.--No tax shall be imposed under section 101 on any taxable property or service purchased for an investment purpose and held exclusively for an investment purpose.

``(3) State government functions.--No tax shall be imposed under section 101 on State government functions that do not constitute the final consumption of property or services.

``(b) Business Purposes.--For purposes of this section, the term 'purchased for a business purpose in a trade or business' means purchased by a person engaged in a trade or business and used in that trade or business--

``(1) for resale,

``(2) to produce, provide, render, or sell taxable property or services, or

``(3) in furtherance of other bona fide business purposes.

``(c) Investment Purposes.--For purposes of this section, the term 'purchased for an investment purpose' means property purchased exclusively for purposes of appreciation or the production of income but not entailing more than minor personal efforts.

``SEC. 103. RULES RELATING TO COLLECTION AND REMITTANCE OF TAX.

``(a) Liability for Collection and Remittance of the Tax.--Except as provided otherwise by this section, any tax imposed by this subtitle shall be collected and remitted by the seller of taxable property or services (including financial intermediation services).

``(b) Tax To Be Remitted by Purchaser in Certain Circumstances.--

``(1) In general.--In the case of taxable property or services purchased outside of the United States and imported into the United States for use or consumption in the United States, the purchaser shall remit the tax imposed by section 101.

``(2) Certain wages or salary.--In the case of wages or salary paid by a taxable employer which are taxable services, the employer shall remit the tax imposed by section 101.

``(c) Conversion of Business or Export Property or Services.--Property or services purchased for a business purpose in a trade or business or for export (sold untaxed pursuant to section 102(a)) that is subsequently converted to personal use shall be deemed purchased at the time of conversion and shall be subject to the tax imposed by section 101 at the fair market value of the converted property as of

the date of conversion. The tax shall be due as if the property had been sold at the fair market value during the month of conversion. The person using or consuming the converted property is liable for and shall remit the tax.

``(d) Barter Transactions.--If gross payment for taxable property or services is made in other than money, then the person responsible for collecting and remitting the tax shall remit the tax to the sales tax administering authority in money as if gross payment had been made in money at the tax inclusive fair market value of the taxable property or services purchased.

``CHAPTER 2--CREDITS; REFUNDS

``Sec. 201. Credits and refunds.

``Sec. 202. Business use conversion credit.

``Sec. 203. Intermediate and export sales credit.

``Sec. 204. Administration credit.

``Sec. 205. Bad debt credit.

``Sec. 206. Insurance proceeds credit.

``Sec. 207. Refunds.

``SEC. 201. CREDITS AND REFUNDS.

``(a) In General.--Each person shall be allowed a credit with respect to the taxes imposed by section 101 for each month in an amount equal to the sum of--

``(1) such person's business use conversion credit pursuant to section 202 for such month,

``(2) such person's intermediate and export sales credit pursuant to section 203 for such month,

``(3) the administration credit pursuant to section 204 for such month,

``(4) the bad debt credit pursuant to section 205 for such month,

``(5) the insurance proceeds credit pursuant to section 206 for such month,

``(6) the transitional inventory credit pursuant to section 902, and

``(7) any amount paid in excess of the amount due.

``(b) Credits Not Additive.--Only one credit allowed by chapter 2 may be taken with respect to any particular gross payment.

``SEC. 202. BUSINESS USE CONVERSION CREDIT.

``(a) In General.--For purposes of section 201, a person's business use conversion credit for any month is the aggregate of the amounts determined under subsection (b) with respect to taxable property and services--

``(1) on which tax was imposed by section 101 (and actually paid), and

``(2) which commenced to be 95 percent or more used during such month for business purposes (within the meaning of section 102(b)).

``(b) Amount of Credit.--The amount determined under this paragraph with respect to any taxable property or service is the lesser of--

``(1) the product of--

``(A) the rate imposed by section 101, and
``(B) the quotient that is--
 ``(i) the fair market value of the property
 or service when its use is converted, divided
 by
 ``(ii) the quantity that is one minus the
 tax rate imposed by section 101, or
``(2) the amount of tax paid with respect to such taxable
property or service, including the amount, if any, determined
in accordance with section 705 (relating to mixed use
property).

``SEC. 203. INTERMEDIATE AND EXPORT SALES CREDIT.

``For purposes of section 201, a person's intermediate and export
sales credit is the amount of sales tax paid on the purchase of any
taxable property or service purchased for--
 ``(1) a business purpose in a trade or business (as defined
 in section 102(b)), or
 ``(2) export from the United States for use or consumption
 outside the United States.

``SEC. 204. ADMINISTRATION CREDIT.

``(a) In General.--Every person filing a timely monthly report
(with regard to extensions) in compliance with section 501 shall be
entitled to a taxpayer administrative credit equal to the greater of--
 ``(1) \$200, or
 ``(2) one-quarter of 1 percent of the tax remitted.
``(b) Limitation.--The credit allowed under this section shall not
exceed 20 percent of the tax due to be remitted prior to the
application of any credit or credits permitted by section 201.

``SEC. 205. BAD DEBT CREDIT.

``(a) Financial Intermediation Services.--Any person who has
experienced a bad debt (other than unpaid invoices within the meaning
of subsection (b)) shall be entitled to a credit equal to the product
of--
 ``(1) the rate imposed by section 101, and
 ``(2) the quotient that is--
 ``(A) the amount of the bad debt (as defined in
 section 802), divided by
 ``(B) the quantity that is one minus the rate
 imposed by section 101.
``(b) Unpaid Invoices.--Any person electing the accrual method
pursuant to section 503 that has with respect to a transaction--
 ``(1) invoiced the tax imposed by section 101,
 ``(2) remitted the invoiced tax,
 ``(3) actually delivered the taxable property or performed
 the taxable services invoiced, and
 ``(4) not been paid 180 days after date the invoice was due
 to be paid,
shall be entitled to a credit equal to the amount of tax remitted and
unpaid by the purchaser.
``(c) Subsequent Payment.--Any payment made with respect to a

transaction subsequent to a section 205 credit being taken with respect to that transaction shall be subject to tax in the month the payment was received as if a tax inclusive sale of taxable property and services in the amount of the payment had been made.

``(d) Partial Payments.--Partial payments shall be treated as pro rata payments of the underlying obligation and shall be allocated proportionately--

``(1) for fully taxable payments, between payment for the taxable property and service and tax, and

``(2) for partially taxable payments, among payment for the taxable property and service, tax and other payment.

``(e) Related Parties.--The credit provided by this section shall not be available with respect to sales made to related parties. For purposes of this section, related party means affiliated firms and family members (as defined in section 302(b)).

``SEC. 206. INSURANCE PROCEEDS CREDIT.

``(a) In General.--A person receiving a payment from an insurer by virtue of an insurance contract shall be entitled to a credit in an amount determined by subsection (b), less any amount paid to the insured by the insurer pursuant to subsection (c), if the entire premium (except that portion allocable to the investment account of the underlying policy) for the insurance contract giving rise to the insurer's obligation to make a payment to the insured was subject to the tax imposed by section 101 and said tax was paid.

``(b) Credit Amount.--The amount of the credit shall be the product of--

``(1) the rate imposed by section 101, and

``(2) the quotient that is--

``(A) the amount of the payment made by the insurer to the insured, divided by

``(B) the quantity that is one minus the rate imposed by section 101.

``(c) Administrative Option.--The credit determined in accordance with subsection (b) shall be paid by the insurer to the insured and the insurer shall be entitled to the credit in lieu of the insured, except that the insurer may elect, in a form prescribed by the Secretary, to not pay the credit and require the insured to make application for the credit. In the event of such election, the insurer shall provide to the Secretary and the insured the name and tax identification number of the insurer and of the insured and indicate the proper amount of the credit.

``(d) Coordination With Respect to Exemption.--If taxable property or services purchased by an insurer on behalf of an insured are purchased free of tax by virtue of section 2(a)(8)(C), then the credit provided by this section shall not be available with respect to that purchase.

``(e) Insurance Contract.--For purposes of subsection (a), the term 'insurance contract' shall include a life insurance contract, a health insurance contract, a property and casualty loss insurance contract, a general liability insurance contract, a marine insurance contract, a fire insurance contract, an accident insurance contract, a disability insurance contract, a long-term care insurance contract, and an insurance contract that provides a combination of these types of insurance.

``SEC. 207. REFUNDS.

``(a) Registered Sellers.--If a registered seller files a monthly tax report with an overpayment, then, upon application by the registered seller in a form prescribed by the sales tax administering authority, the overpayment shown on the report shall be refunded to the registered seller within 60 days of receipt of said application. In the absence of such application, the overpayment may be carried forward, without interest, by the person entitled to the credit.

``(b) Other Persons.--If a person other than a registered seller has an overpayment for any month, then, upon application by the person in a form prescribed by the sales tax administering authority, the credit balance due shall be refunded to the person within 60 days of receipt of said application.

``(c) Interest.--No interest shall be paid on any balance due from the sales tax administering authority under this subsection for any month if such balance due is paid within 60 days after the application for refund is received. Balances due not paid within 60 days after the application for refund is received shall bear interest from the date of application. Interest shall be paid at the Federal short-term rate (as defined in section 511).

``(d) Suspension of Period To Pay Refund Only if Federal or State Court Ruling.--The 60-day periods under subsections (a) and (b) shall be suspended with respect to a purported overpayment (or portion thereof) only during any period that there is in effect a preliminary, temporary, or final ruling from a Federal or State court that there is reasonable cause to believe that such overpayment may not actually be due.

``CHAPTER 3--FAMILY CONSUMPTION ALLOWANCE

``Sec. 301. Family consumption allowance.

``Sec. 302. Qualified family.

``Sec. 303. Monthly poverty level.

``Sec. 304. Rebate mechanism.

``Sec. 305. Change in family circumstances.

``SEC. 301. FAMILY CONSUMPTION ALLOWANCE.

``Each qualified family shall be eligible to receive a sales tax rebate each month. The sales tax rebate shall be in an amount equal to the product of--

``(1) the rate of tax imposed by section 101, and

``(2) the monthly poverty level.

``SEC. 302. QUALIFIED FAMILY.

``(a) General Rule.--For purposes of this chapter, the term 'qualified family' shall mean one or more family members sharing a common residence. All family members sharing a common residence shall be considered as part of 1 qualified family.

``(b) Family Size Determination.--

``(1) In general.--To determine the size of a qualified family for purposes of this chapter, family members shall mean--

- ``(A) an individual,
- ``(B) the individual's spouse,
- ``(C) all lineal ancestors and descendants of said individual (and such individual's spouse),
- ``(D) all legally adopted children of such individual (and such individual's spouse), and
- ``(E) all children under legal guardianship of such individual (or such individual's spouse).

``(2) Identification requirements.--In order for a person to be counted as a member of the family for purposes of determining the size of the qualified family, such person must--

- ``(A) have a bona fide Social Security number; and
- ``(B) be a lawful resident of the United States.

``(c) Children Living Away From Home.--

``(1) Students living away from home.--Any person who was a registered student during not fewer than 5 months in a calendar year while living away from the common residence of a qualified family but who receives over 50 percent of such person's support during a calendar year from members of the qualified family shall be included as part of the family unit whose members provided said support for purposes of this chapter.

``(2) Children of divorced or separated parents.--If a child's parents are divorced or legally separated, a child for purposes of this chapter shall be treated as part of the qualified family of the custodial parent. In cases of joint custody, the custodial parent for purposes of this chapter shall be the parent that has custody of the child for more than one-half of the time during a given calendar year. A parent entitled to be treated as the custodial parent pursuant to this paragraph may release this claim to the other parent if said release is in writing.

``(d) Annual Registration.--In order to receive the family consumption allowance provided by section 301, a qualified family must register with the sales tax administering authority in a form prescribed by the Secretary. The annual registration form shall provide--

- ``(1) the name of each family member who shared the qualified family's residence on the family determination date,
- ``(2) the Social Security number of each family member on the family determination date who shared the qualified family's residence on the family determination date,
- ``(3) the family member or family members to whom the family consumption allowance should be paid,
- ``(4) a certification that all listed family members are lawful residents of the United States,
- ``(5) a certification that all family members sharing the common residence are listed,
- ``(6) a certification that no family members were incarcerated on the family determination date (within the meaning of subsection (1)), and
- ``(7) the address of the qualified family.

Said registration shall be signed by all members of the qualified family that have attained the age of 21 years as of the date of filing.

``(e) Registration Not Mandatory.--Registration is not mandatory for any qualified family.

((f) Effect of Failure To Provide Annual Registration.--Any qualified family that fails to register in accordance with this section within 30 days of the family determination date, shall cease receiving the monthly family consumption allowance in the month beginning 90 days after the family determination date.

((g) Effect of Curing Failure To Provide Annual Registration.--Any qualified family that failed to timely make its annual registration in accordance with this section but subsequently cures its failure to register, shall be entitled to up to 6 months of lapsed sales tax rebate payments. No interest on lapsed payment amount shall be paid.

((h) Effective Date of Annual Registrations.--Annual registrations shall take effect for the month beginning 90 days after the family registration date.

((i) Effective Date of Revised Registrations.--A revised registration made pursuant to section 305 shall take effect for the first month beginning 60 days after the revised registration was filed. The existing registration shall remain in effect until the effective date of the revised registration.

((j) Determination of Registration Filing Date.--An annual or revised registration shall be deemed filed when--

((1) deposited in the United States mail, postage prepaid, to the address of the sales tax administering authority;

((2) delivered and accepted at the offices of the sales tax administering authority; or

((3) provided to a designated commercial private courier service for delivery within 2 days to the sales tax administering authority at the address of the sales tax administering authority.

((k) Proposed Registration To Be Provided.--Thirty or more days before the family registration date, the sales tax administering authority shall mail to the address shown on the most recent rebate registration or change of address notice filed pursuant to section 305(d) a proposed registration that may be simply signed by the appropriate family members if family circumstances have not changed.

((l) Incarcerated Individuals.--An individual shall not be eligible under this chapter to be included as a member of any qualified family if that individual--

((1) is incarcerated in a local, State, or Federal jail, prison, mental hospital, or other institution on the family determination date, and

((2) is scheduled to be incarcerated for 6 months or more in the 12-month period following the effective date of the annual registration or the revised registration of said qualified family.

((m) Family Determination Date.--The family determination date is a date assigned to each family by the Secretary for purposes of determining qualified family size and other information necessary for the administration of this chapter. The Secretary shall promulgate regulations regarding the issuance of family determination dates. In the absence of any regulations, the family determination date for all families shall be October 1. The Secretary may assign family determination dates for administrative convenience. Permissible means of assigning family determination dates include a method based on the birthdates of family members.

((n) Cross Reference.--For penalty for filing false rebate claim, see section 504(i).

``SEC. 303. MONTHLY POVERTY LEVEL.

``(a) In General.--The monthly poverty level for any particular month shall be one-twelfth of the `annual poverty level'. For purposes of this section the `annual poverty level' shall be the sum of--

``(1) the annual level determined by the Department of Health and Human Services poverty guidelines required by sections 652 and 673(2) of the Omnibus Reconciliation Act of 1981 for a particular family size, and

``(2) in case of families that include a married couple, the `annual marriage penalty elimination amount'.

``(b) Annual Marriage Penalty Elimination Amount.--The annual marriage penalty elimination amount shall be the amount that is--

``(1) the amount that is two times the annual level determined by the Department of Health and Human Services poverty guidelines required by sections 652 and 673(2) of the Omnibus Reconciliation Act of 1981 for a family of one, less

``(2) the annual level determined by the Department of Health and Human Services poverty guidelines required by sections 652 and 673(2) of the Omnibus Reconciliation Act of 1981 for a family of two.

``SEC. 304. REBATE MECHANISM.

``(a) General Rule.--The Social Security Administration shall provide a monthly sales tax rebate to duly registered qualified families in an amount determined in accordance with section 301.

``(b) Persons Receiving Rebate.--The payments shall be made to the persons designated by the qualifying family in the annual or revised registration for each qualified family in effect with respect to the month for which payment is being made. Payments may only be made to persons 18 years or older. If more than 1 person is designated in a registration to receive the rebate, then the rebate payment shall be divided evenly between or among those persons designated.

``(c) When Rebates Mailed.--Rebates shall be mailed on or before the first business day of the month for which the rebate is being provided.

``(d) Smartcards and Direct Electronic Deposit Permissible.--The Social Security Administration may provide rebates in the form of smartcards that carry cash balances in their memory for use in making purchases at retail establishments or by direct electronic deposit.

``SEC. 305. CHANGE IN FAMILY CIRCUMSTANCES.

``(a) General Rule.--In the absence of the filing of a revised registration in accordance with this chapter, the common residence of the qualified family, marital status and number of persons in a qualified family on the family registration date shall govern determinations required to be made under this chapter for purposes of the following calendar year.

``(b) No Double Counting.--In no event shall any person be considered part of more than 1 qualified family.

``(c) Revised Registration Permissible.--A qualified family may file a revised registration for purposes of section 302(d) to reflect a change in family circumstances. A revised registration form shall

provide--

- ``(1) the name of each family member who shared the qualified family's residence on the filing date of the revised registration,
- ``(2) the Social Security number of each family member who shared the qualified family's residence on the filing date of the revised registration,
- ``(3) the family member or family members to whom the family consumption allowance should be paid,
- ``(4) a certification that all listed family members are lawful residents of the United States,
- ``(5) a certification that all family members sharing the commoner residence are listed,
- ``(6) a certification that no family members were incarcerated on the family determination date (within the meaning of section 302(1)), and
- ``(7) the address of the qualified family.

Said revised registration shall be signed by all members of the qualified family that have attained the age of 21 years as of the filing date of the revised registration.

``(d) Change of Address.--A change of address for a qualified family may be filed with the sales tax administering authority at any time and shall not constitute a revised registration.

``(e) Revised Registration Not Mandatory.--Revised registrations reflecting changes in family status are not mandatory.

``CHAPTER 4--FEDERAL AND STATE COOPERATIVE TAX ADMINISTRATION

- ``Sec. 401. Authority for States to collect tax.
- ``Sec. 402. Federal administrative support for States.
- ``Sec. 403. Federal-State tax conferences.
- ``Sec. 404. Federal administration in certain States.
- ``Sec. 405. Interstate allocation and destination determination.
- ``Sec. 406. General administrative matters.
- ``Sec. 407. Jurisdiction.

``SEC. 401 AUTHORITY FOR STATES TO COLLECT TAX.

``(a) In General.--The tax imposed by section 101 on gross payments for the use or consumption of taxable property or services within a State shall be administered, collected, and remitted to the United States Treasury by such State if the State is an administering State.

``(b) Administering State.--For purposes of this section, the term 'administering State' means any State--

- ``(1) which maintains a sales tax, and
- ``(2) which enters into a cooperative agreement with the Secretary containing reasonable provisions governing the administration by such State of the taxes imposed by the subtitle and the remittance to the United States in a timely manner of taxes collected under this chapter.

``(c) Cooperative Agreements.--The agreement under subsection (b) (2) shall include provisions for the expeditious transfer of funds, contact officers, dispute resolution, information exchange, confidentiality, taxpayer rights, and other matters of importance. The agreement shall not contain extraneous matters.

``(d) Timely Remittance of Tax.--

“(1) In general.--Administering States shall remit and pay over taxes collected under this subtitle on behalf of the United States (less the administration fee allowable under paragraph (2)) not later than 5 days after receipt. Interest at 150 percent of the Federal short-term rate shall be paid with respect to amounts remitted after the due date.

“(2) Administration fee.--An administering State may retain an administration fee equal to one-quarter of 1 percent of the amounts otherwise required to be remitted to the United States under this chapter by the administering State.

“(e) Limitation on Administration of Tax by United States.--The Secretary may administer the tax imposed by this subtitle in an administering State only if--

“(1) (A) such State has failed on a regular basis to timely remit to the United States taxes collected under this chapter on behalf of the United States; or

“(B) such State has on a regular basis otherwise materially breached the agreement referred to in subsection (b) (2);

“(2) the State has failed to cure such alleged failures and breaches within a reasonable time;

“(3) the Secretary provides such State with written notice of such alleged failures and breaches; and

“(4) a District Court of the United States within such State, upon application of the Secretary, has rendered a decision--

“(A) making findings of fact that--

“(i) such State has failed on a regular basis to timely remit to the United States taxes collected under this chapter on behalf of the United States, or such State has on a regular basis otherwise materially breached the agreement referred to in subsection (b) (2);

“(ii) the Secretary has provided such State with written notice of such alleged failures and breaches; and

“(iii) the State has failed to cure such alleged failures and breaches within a reasonable time; and

“(B) making a determination that it is in the best interest of the citizens of the United States that the administering State's authority to administer the tax imposed by this subtitle be revoked and said tax be administered directly by the Secretary.

The order of the District Court revoking the authority of an Administering State shall contain provisions governing the orderly transfer of authority to the Secretary.

“(f) Reinstitution.--A State that has had its authority revoked pursuant to subsection (e) shall not be an administering State for a period of not less than 5 years after the date of the order of revocation. For the first calendar year commencing 8 years after the date of the order of revocation, the State shall be regarded without prejudice as eligible to become an administering State.

“(g) Third State Administration Permissible.--It shall be permissible for a State to contract with an administering State to administer the State's sales tax for an agreed fee. In this case, the

agreement contemplated by subsection (c) shall have both the State and the Federal Government as parties.

``(h) Investigations and Audits.--Administering States shall not conduct investigations or audits at facilities in other administering States in connection with the tax imposed by section 101 or conforming State sales tax but shall instead cooperate with other administering States using the mechanisms established by section 402, by compact or by other agreement.

``SEC. 402. FEDERAL ADMINISTRATIVE SUPPORT FOR STATES.

``(a) In General.--The Secretary shall administer a program to facilitate information sharing among States.

``(b) State Compacts.--The Secretary shall facilitate, and may be a party to a compact among States for purposes of facilitating the taxation of interstate purchases and for other purposes that may facilitate implementation of this subtitle.

``(c) Agreement With Conforming States.--The Secretary is authorized to enter into and shall enter into an agreement among conforming States enabling conforming States to collect conforming State sales tax on sales made by sellers without a particular conforming State to a destination within that particular conforming State.

``(d) Secretary's Authority.--The Secretary shall have the authority to promulgate regulations, to provide guidelines, to assist States in administering the national sales tax, to provide for uniformity in the administration of the tax and to provide guidance to the public.

``SEC. 403. FEDERAL-STATE TAX CONFERENCES.

``Not less than once annually, the Secretary shall host a conference with the sales tax administrators from the various administering States to evaluate the state of the national sales tax system, to address issues of mutual concern and to develop and consider legislative, regulatory, and administrative proposals to improve the tax system.

``SEC. 404. FEDERAL ADMINISTRATION IN CERTAIN STATES.

``The Secretary shall administer the tax imposed by this subtitle in any State or other United States jurisdiction that--

- ``(1) is not an administering State, or
- ``(2) elected to have another State administer its tax in accordance with section 401(g).

``SEC. 405. INTERSTATE ALLOCATION AND DESTINATION DETERMINATION.

``(a) Destination Generally.--The tax imposed by this subtitle is a destination principle tax. This section shall govern for purposes of determining--

- ``(1) whether the destination of taxable property and services is within or without the United States, and
 - ``(2) which State or territory within the United States is the destination of taxable property and services.
- ``(b) Tangible Personal Property.--Except as provided in subsection

(g) (relating to certain leases), the destination of tangible personal property shall be the State or territory in which the property was first delivered to the purchaser (including agents and authorized representatives).

``(c) Real Property.--The destination of real property, or rents or leaseholds on real property, shall be the State or territory in which the real property is located.

``(d) Other Property.--The destination of any other taxable property shall be the residence of the purchaser.

``(e) Services.--

``(1) General rule.--The destination of services shall be the State or territory in which the use or consumption of the services occurred. Allocation of service invoices relating to more than 1 jurisdiction shall be on the basis of time or another method determined by regulation.

``(2) Telecommunications services.--The destination of telecommunications services shall be the residence of the purchaser. Telecommunications services include telephone, telegraph, beeper, radio, cable television, satellite, and computer on-line or network services.

``(3) Domestic transportation services.--For transportation services where all of the final destinations are within the United States, the destination of transportation services shall be the final destination of the trip (in the case of round or multiple trip fares, the services amount shall be equally allocated among each final destination).

``(4) International transportation services.--For transportation services where the final destination or origin of the trip is without the United States, the service amount shall be deemed 50 percent attributable to the United States destination or origin.

``(5) Electrical service.--The destination of electrical services shall be the residence of the purchaser.

``(f) Financial Intermediation Services.--The destination of financial intermediation services shall be the residence of the purchaser.

``(g) Rents Paid for the Lease of Tangible Property.--

``(1) General rule.--Except as provided in paragraph (2), the destination of rents paid for the lease of tangible property and leaseholds on such property shall be where the property is located while in use.

``(2) Land vehicles; aircraft, water craft.--The destination of rental and lease payments on land vehicles, aircraft and water craft shall be--

``(A) in the case of rentals and leases of a term of 1 month or less, the location where the land vehicle, aircraft, or water craft was originally delivered to the renter or lessee; and

``(B) in the case of rentals and leases of a term greater than 1 month, the residence of the renter or lessee.

``(h) Allocation Rules.--For purposes of allocating revenue--

``(1) between or among administering States from taxes imposed by this subtitle or from State sales taxes administered by third-party administering States, or

``(2) between or among States imposing conforming State

sales taxes,
the revenue shall be allocated to those States that are the destination of the taxable property or service.

``(i) Federal Office of Revenue Allocation.--The Secretary shall establish an Office of Revenue Allocation to arbitrate any claims or disputes among administering States as to the destination of taxable property and services for purposes of allocating revenue between or among the States from taxes imposed by this subtitle. The determination of the Administrator of the Office of Revenue Allocation shall be subject to judicial review in any Federal court with competent jurisdiction. The standard of review shall be abuse of discretion.

``SEC. 406. GENERAL ADMINISTRATIVE MATTERS.

``(a) In General.--The Secretary and each sales tax administering authority may employ such persons as may be necessary for the administration of this subtitle and may delegate to employees the authority to conduct interviews, hearings, prescribe rules, promulgate regulations, and perform such other duties as are required by this subtitle.

``(b) Resolution of Any Inconsistent Rules and Regulations.--In the event that the Secretary and any sales tax administering authority have issued inconsistent rules or regulations, any lawful rule or regulation issued by the Secretary shall govern.

``(c) Adequate Notice To Be Provided.--Except in the case of an emergency declared by the Secretary (and not his designee), no rule or regulation issued by the Secretary with respect to any internal revenue law shall take effect before 90 days have elapsed after its publication in the Federal Register. Upon issuance, the Secretary shall provide copies of all rules or regulations issued under this title to each sales tax administering authority.

``(d) No Rules, Rulings, or Regulations With Retroactive Effect.--No rule, ruling, or regulation issued or promulgated by the Secretary relating to any internal revenue law or by a sales tax administering authority shall apply to a period prior to its publication in the Federal Register (or State equivalent) except that a regulation may take retroactive effect to prevent abuse.

``(e) Review of Impact of Regulations, Rules, and Rulings on Small Business.--

``(1) Submission to small business administration.--After publication of any proposed or temporary regulation by the Secretary relating to internal revenue laws, the Secretary shall submit such regulation to the Chief Counsel for Advocacy of the Small Business Administration for comment on the impact of such regulation on small businesses. Not later than the date 30 days after the date of such submission, the Chief Counsel for Advocacy of the Small Business Administration shall submit comments on such regulation to the Secretary.

``(2) Consideration of comments.--In prescribing any final regulation which supersedes a proposed or temporary regulation which had been submitted under this subsection to the Chief Counsel for Advocacy of the Small Business Administration, the Secretary shall--

``(A) consider the comments of the Chief Counsel for Advocacy of the Small Business Administration on such proposed or temporary regulation, and

``(B) in promulgating such final regulation, include a narrative that describes the response to such comments.

``(3) Submission of certain final regulation.--In the case of promulgation by the Secretary of any final regulations (other than a temporary regulation) which do not supersede a proposed regulation, the requirements of paragraphs (1) and (2) shall apply, except that the submission under paragraph (1) shall be made at least 30 days before the date of such promulgation, and the consideration and discussion required under paragraph (2) shall be made in connection with the promulgation of such final regulation.

``(f) Small Business Regulatory Safeguards.--The Small Business Regulatory Enforcement Fairness Act (Public Law 104-121; 110 Stat. 857 ('SBREFA')) and the Regulatory Flexibility Act (5 U.S.C. 601-612 ('RFA')) shall apply to regulations promulgated under this subtitle.

``SEC. 407. JURISDICTION.

``(a) State Jurisdiction.--A sales tax administering authority shall have jurisdiction over any gross payments made which have a destination (as determined in accordance with section 405) within the State of said sales tax administering authority. This grant of jurisdiction is not exclusive of any other jurisdiction that such sales tax administering authority may have.

``(b) Federal Jurisdiction.--The grant of jurisdiction in subsection (a) shall not be in derogation of Federal jurisdiction over the same matter. The Federal Government shall have the right to exercise preemptive jurisdiction over matters relating to the taxes imposed by this subtitle.

``CHAPTER 5--OTHER ADMINISTRATIVE PROVISIONS

- ``Sec. 501. Monthly reports and payments.
- ``Sec. 502. Registration.
- ``Sec. 503. Accounting.
- ``Sec. 504. Penalties.
- ``Sec. 505. Burden of persuasion and burden of production.
- ``Sec. 506. Attorneys' and accountancy fees.
- ``Sec. 507. Summons, examinations, audits, etc.
- ``Sec. 508. Records.
- ``Sec. 509. Tax to be separately stated and charged.
- ``Sec. 510. Coordination with title 11.
- ``Sec. 511. Applicable interest rate.

``SEC. 501. MONTHLY REPORTS AND PAYMENTS.

``(a) Tax Reports and Filing Dates.--

``(1) In general.--On or before the 15th day of each month, each person who is--

``(A) liable to collect and remit the tax imposed by this subtitle by reason of section 103(a), or

``(B) liable to pay tax imposed by this subtitle which is not collected pursuant to section 103(a), shall submit to the appropriate sales tax administering authority (in a form prescribed by the Secretary) a report

relating to the previous calendar month.

``(2) Contents of report.--The report required under paragraph (1) shall set forth--

``(A) the gross payments referred to in section 101,

``(B) the tax collected under chapter 4 in connection with such payments,

``(C) the amount and type of any credit claimed, and

``(D) other information reasonably required by the Secretary or the sales tax administering authority for the administration, collection, and remittance of the tax imposed by this subtitle.

``(b) Tax Payments Date.--

``(1) General rule.--The tax imposed by this subtitle during any calendar month is due and shall be paid to the appropriate sales tax administering authority on or before the 15th day of the succeeding month. Both Federal tax imposed by this subtitle and conforming State sales tax (if any) shall be paid in 1 aggregate payment.

``(2) Cross reference.--See subsection (e) relating to remitting of separate segregated funds for sellers that are not small sellers.

``(c) Extensions for Filing Reports.--

``(1) Automatic extensions for not more than 30 days.--On application, an extension of not more than 30 days to file reports under subsection (a) shall be automatically granted.

``(2) Other extensions.--On application, extensions of 30 to 60 days to file such reports shall be liberally granted by the sales tax administering authority for reasonable cause. Extensions greater than 60 days may be granted by the sales tax administering authority to avoid hardship.

``(3) No extension for payment of taxes.--Notwithstanding paragraphs (1) and (2), no extension shall be granted with respect to the time for paying or remitting the taxes under this subtitle.

``(d) Telephone Reporting of Violations.--The Secretary shall establish a system under which a violation of this subtitle can be brought to the attention of the sales tax administering authority for investigation through the use of a toll-free telephone number and otherwise.

``(e) Separate Segregated Accounts.--

``(1) In general.--Any registered seller that is not a small seller shall deposit all sales taxes collected pursuant to section 103 in a particular week in a separate segregated account maintained at a bank or other financial institution within 3 business days of the end of such week. Said registered seller shall also maintain in that account sufficient funds to meet the bank or financial institution minimum balance requirements, if any, and to pay account fees and costs.

``(2) Small seller.--For purposes of this subsection, a small seller is any person that has not collected \$20,000 or more of the taxes imposed by this subtitle in any of the previous 12 months.

``(3) Large sellers.--Any seller that has collected \$100,000 or more of the taxes imposed by this subtitle in any

of the previous 12 months is a large seller. A large seller shall remit to the sales tax administering authority the entire balance of deposited taxes in its separate segregated account on the first business day following the end of the calendar week. The Secretary may by regulation require the electronic transfer of funds due from large sellers.

``(4) Week.--For purposes of this subsection, the term 'week' shall mean the 7-day period ending on a Friday.

``(f) Determination of Report Filing Date.--A report filed pursuant to subsection (a) shall be deemed filed when--

``(1) deposited in the United States mail, postage prepaid, addressed to the sales tax administering authority,

``(2) delivered and accepted at the offices of the sales tax administering authority,

``(3) provided to a designated commercial private courier service for delivery within 2 days to the sales tax administering authority at the address of the sales tax administering authority, or

``(4) by other means permitted by the Secretary.

``(g) Security Requirements.--A large seller (within the meaning of subsection (e) (3)) shall be required to provide security in an amount equal to the greater of \$100,000 or one and one-half times the seller's average monthly tax liability during the previous 6 calendar months. Security may be a cash bond, a bond from a surety company approved by the Secretary, a certificate of deposit, or a State or United States Treasury bond. A bond qualifying under this subsection must be a continuing instrument for each calendar year (or portion thereof) that the bond is in effect. The bond must remain in effect until the surety or sureties are released and discharged. Failure to provide security in accordance with this section shall result in revocation of the seller's section 502 registration. If a person who has provided security pursuant to this subsection--

``(1) fails to pay an amount indicated in a final notice of amount due under this subtitle (within the meaning of section 605(d)),

``(2) no Taxpayer Assistance Order is in effect relating to the amount due,

``(3) either the time for filing an appeal pursuant to section 604 has passed or the appeal was denied, and

``(4) the amount due is not being litigated in any judicial forum,

then the security or part of the security, as the case may be, may be forfeited in favor of the Secretary to the extent of such tax due (plus interest if any).

``(h) Rewards Program.--The Secretary is authorized to maintain a program of awards wherein individuals that assist the Secretary or sales tax administering authorities in discovering or prosecuting tax fraud may be remunerated.

``(i) Cross Reference.--For interest due on taxes remitted late, see section 6601.

``SEC. 502. REGISTRATION.

``(a) In General.--Any person liable to collect and remit taxes pursuant to section 103(a) who is engaged in a trade or business shall register as a seller with the sales tax administering authority

administering the taxes imposed by this subtitle.

``(b) Affiliated Firms.--Affiliated firms shall be treated as 1 person for purposes of this section. Affiliated firms may elect, upon giving notice to the Secretary in a form prescribed by the Secretary, to treat separate firms as separate persons for purposes of this subtitle.

``(c) Designation of Tax Matters Person.--Every person registered pursuant to subsection (a) shall designate a tax matters person who shall be an individual whom the sales tax administering authority may contact regarding tax matters. Each person registered must provide notice of a change in the identity of the tax matters person within 30 days of said change.

``(d) Effect of Failure To Register.--Any person that is required to register and who fails to do so is prohibited from selling taxable property or services. The Secretary or a sales tax administering authority may bring an action seeking a temporary restraining order, an injunction, or such other order as may be appropriate to enforce this section.

``SEC. 503. ACCOUNTING.

``(a) Cash Method To Be Used Generally.--Registered sellers and other persons shall report transactions using the cash method of accounting unless an election to use the accrual method of accounting is made pursuant to subsection (b).

``(b) Election To Use Accrual Method.--A person may elect with respect to a calendar year to remit taxes and report transactions with respect to the month where a sale was invoiced and accrued.

``(c) Cross Reference.--See section 205 for rules relating to bad debts for sellers electing the accrual method.

``SEC. 504. PENALTIES.

``(a) Failure To Register.--Each person who is required to register pursuant to section 502 but fails to do so prior to notification by the sales tax administering authority shall be liable for a penalty of \$500.

``(b) Reckless or Willful Failure To Collect Tax.--

``(1) Civil penalty; fraud.--Each person who is required to and recklessly or willfully fails to collect taxes imposed by this subtitle shall be liable for a penalty equal to the greater of \$500 or 20 percent of tax not collected.

``(2) Criminal penalty.--Each person who is required to and willfully fails as part of a trade or business to collect taxes imposed by this subtitle may be fined an amount up to the amount determined in accordance with paragraph (1) or imprisoned for a period of not more than 1 year or both.

``(c) Reckless or Willful Assertion of Invalid Exemption.--

``(1) Civil penalty; fraud.--Each person who recklessly or willfully asserts an invalid intermediate or export sales exemption from the taxes imposed by this subtitle shall be liable for a penalty equal to the greater of \$500 or 20 percent of the tax not collected or remitted.

``(2) Criminal penalty.--Each person who willfully asserts an invalid intermediate or export sales exemption from the taxes imposed by this subtitle may be fined an amount up to the

amount determined in accordance with paragraph (1) or imprisoned for a period of not more than 1 year or both.

``(d) Reckless or Willful Failure To Remit Tax Collected.--

``(1) Civil penalty; fraud.--Each person who is required to and recklessly or willfully fails to remit taxes imposed by this subtitle and collected from purchasers shall be liable for a penalty equal to the greater of \$1,000 or 50 percent of the tax not remitted.

``(2) Criminal penalty.--Each person who willfully fails to remit taxes imposed by this subtitle and collected from purchasers may be fined an amount up to the amount determined in accordance with paragraph (1) or imprisoned for a period of not more than 2 years or both.

``(e) Reckless or Willful Failure To Pay Tax.--Each person who is required to and recklessly or willfully fails to pay taxes imposed by this subtitle shall be liable for a penalty equal to the greater of \$500 or 20 percent of the tax not paid.

``(f) Penalty for Late Filing.--

``(1) In general.--In the case of a failure by any person who is required to and fails to file a report required by section 501 on or before the due date (determined with regard to any extension) for such report, such person shall pay a penalty for each month or fraction thereof that said report is late equal to the greater of--

``(A) \$50, or

``(B) 0.5 percent of the gross payments required to be shown on the report.

``(2) Increased penalty on returns filed after written inquiry.--The amount of the penalty under paragraph (1) shall be doubled with respect to any report filed after a written inquiry with respect to such report is received by the taxpayer from the sales tax administering authority.

``(3) Limitation.--The penalty imposed under this subsection shall not exceed 12 percent.

``(4) Exceptions.--

``(A) Reasonable cause.--No penalty shall be imposed under this subsection with respect to any failure if it is shown that such failure is due to reasonable cause.

``(B) Other waiver authority.--In addition to penalties not imposed by reason of subparagraph (A), the sales tax administering authority, on application, shall waive the penalty imposed by paragraph (1) once per registered person per 24-month period. The preceding sentence shall not apply to a penalty determined under paragraph (2).

``(g) Penalty for Willfully or Recklessly Accepting a False Intermediate or Export Sales Certificate.--A person who willingly or recklessly accepts a false intermediate or export sales certificate shall pay a penalty equal to 20 percent of the tax not collected by reason of said acceptance.

``(h) Penalty for Late Remittance of Taxes.--

``(1) In general.--A person who is required to timely remit taxes imposed by this subtitle and remits taxes more than 1 month after such taxes are due shall pay a penalty equal to 1 percent per month (or fraction thereof) from the due date.

``(2) Limitation.--The penalty imposed under this subsection shall not exceed 24 percent.

``(3) Exceptions for reasonable cause.--No penalty shall be imposed under paragraph (1) with respect to any late remittance if it is shown that such late remittance is due to reasonable cause.

``(i) Penalty for Filing False Rebate Claim.--

``(1) Civil penalty; fraud.--A person who willingly or recklessly files a false claim for a family consumption allowance rebate (within the meaning of chapter 3) shall--

``(A) pay a penalty equal to the greater of \$500 or 50 percent of the claimed annual rebate amount not actually due, and

``(B) repay any rebates received as a result of the false rebate claim (together with interest).

``(2) Criminal penalty.--A person who willingly files a false claim for a family consumption allowance rebate (within the meaning of chapter 3) may be fined an amount up to the amount determined in accordance with paragraph (1) or imprisoned for a period not more than 1 year or both.

``(j) Penalty for Bad Check.--If any check or money order in payment of any amount receivable under this subtitle is not duly paid, in addition to other penalties provided by law, the person who tendered such check shall pay a penalty equal to the greater of--

``(1) \$25, or

``(2) two percent of the amount of such check.

``(k) Penalty for Failure To Maintain a Separate Segregated Account.--Any person required to maintain a separate segregated account pursuant to section 501(e) that fails to maintain such a separate segregated account shall pay a penalty of \$1,000.

``(l) Penalty for Failure To Deposit Collected Taxes in a Separate Segregated Account.--Any person required to deposit collected taxes into a separate segregated account maintained pursuant to section 501(e) that fails to timely deposit said taxes into the separate segregated account shall pay a penalty equal to 1 percent of the amount required to be deposited. The penalty imposed by the previous sentence shall be tripled unless said taxes have been deposited in the separate segregated account or remitted to the sales tax administering authority within 16 days of the date said deposit was due.

``(m) Joint and Several Liability for Tax Matters Person and Responsible Officers.--The tax matters person (designated pursuant to section 502(c)) and responsible officers or partners of a firm shall be jointly and severally liable for the tax imposed by this subtitle and penalties imposed by this subtitle.

``(n) Right of Contribution.--If more than 1 person is liable with respect to any tax or penalty imposed by this subtitle, each person who paid such tax or penalty shall be entitled to recover from other persons who are liable for such tax or penalty an amount equal to the excess of the amount paid by such person over such person's proportionate share of the tax or penalty.

``(o) Civil Penalties and Criminal Fines Not Exclusive.--

``(1) Civil penalty.--The fact that a civil penalty has been imposed shall not prevent the imposition of a criminal fine.

``(2) Criminal fine.--The fact that a criminal fine has been imposed shall not prevent the imposition of a civil

penalty.

((p) Confidentiality.--Any person who violates the requirements relating to confidentiality of tax information (as provided in section 605(e)) may be fined up to \$10,000 or imprisoned for a period of not more than 1 year, or both.

((q) Cross Reference.--For interest due on late payments, see section 6601.

SEC. 505. BURDEN OF PERSUASION AND BURDEN OF PRODUCTION.

In all disputes concerning taxes imposed by this subtitle, the person engaged in a dispute with the sales tax administering authority or the Secretary, as the case may be, shall have the burden of production of documents and records but the sales tax administering authority or the Secretary shall have the burden of persuasion. In all disputes concerning an exemption claimed by a purchaser, if the seller has on file an intermediate sale or export sale certificate from the purchaser and did not have reasonable cause to believe that the certificate was improperly provided by the purchaser with respect to such purchase (within the meaning of section 103), then the burden of production of documents and records relating to that exemption shall rest with the purchaser and not with the seller.

SEC. 506. ATTORNEYS' AND ACCOUNTANCY FEES.

In all disputes concerning taxes imposed by this subtitle, the person engaged in a dispute with the sales tax administering authority or the Secretary, as the case may be, shall be entitled to reasonable attorneys' fees, accountancy fees, and other reasonable professional fees incurred in direct relation to the dispute unless the sales tax administering authority or the Secretary establishes that its position was substantially justified.

SEC. 507. SUMMONS, EXAMINATIONS, AUDITS, ETC.

((a) Summons.--Persons are subject to administrative summons by the sales tax administering authority for records, documents, and testimony required by the sales tax administering authority to accurately determine liability for tax under this subtitle. A summons shall be served by the sales tax administering authority by an attested copy delivered in hand to the person to whom it is directed or left at his last known address. The summons shall describe with reasonable certainty what is sought.

((b) Examinations and Audits.--The sales tax administering authority has the authority to conduct at a reasonable time and place examinations and audits of persons who are or may be liable to collect and remit tax imposed by this subtitle and to examine the books, papers, records, or other data of such persons which may be relevant or material to the determination of tax due.

((c) Limitation on Authority in Case of Referral.--No administrative summons may be issued by the sales tax administering authority and no action be commenced to enforce an administrative summons with respect to any person if a Justice Department referral or referral to a State Attorney General's Office is in effect with respect to such person relating to a tax imposed by this subtitle. Such referral is in effect with respect to any person if the sales tax

administering authority or the Secretary has recommended to the Justice Department or a State Attorney General's Office a grand jury investigation of such person or a criminal prosecution of such person that contemplates criminal sanctions under this title. A referral shall be terminated when--

``(1) the Justice Department or a State Attorney General's Office notifies the sales tax administering authority or the Secretary that he will not--

``(A) prosecute such person for any offense connected with the internal revenue laws,

``(B) authorize a grand jury investigation of such person with respect to such offense, or

``(C) continue such a grand jury investigation, or

``(2) a final disposition has been made of any criminal proceeding connected with the internal revenue laws, or conforming State sales tax, against such person.

``SEC. 508. RECORDS.

``Any person liable to remit taxes pursuant to this subtitle shall keep records (including a record of all section 509 receipts provided, complete records of intermediate and export sales, including purchaser's intermediate and export sales certificates and tax number and the net of tax amount of purchase) sufficient to determine the amounts reported, collected, and remitted for a period of 6 years after the latter of the filing of the report for which the records formed the basis or when the report was due to be filed. Any purchaser who purchased taxable property or services but did not pay tax by reason of asserting an intermediate and export sales exemption shall keep records sufficient to determine whether said exemption was valid for a period of 7 years after the purchase of taxable property or services.

``SEC. 509. TAX TO BE SEPARATELY STATED AND CHARGED.

``(a) In General.--For each purchase of taxable property or services for which a tax is imposed by section 101, the seller shall charge the tax imposed by section 101 separately from the purchase. For purchase of taxable property or services for which a tax is imposed by section 101, the seller shall provide to the purchaser a receipt for each transaction that includes--

``(1) the property or services price exclusive of tax;

``(2) the amount of tax paid;

``(3) the property or service price inclusive of tax;

``(4) the tax rate (the amount of tax paid (per paragraph (2)) divided by the property or service price inclusive of tax (per paragraph (3)));

``(5) the date that the good or service was sold;

``(6) the name of the vendor; and

``(7) the vendor registration number.

``(b) Vending Machine Exception.--The requirements of subsection (a) shall be inapplicable in the case of sales by vending machines. Vending machines for purposes of this subsection are machines--

``(1) that dispense taxable property in exchange for coins or currency; and

``(2) that sell no single item exceeding \$10 per unit in price.

``(c) Financial Intermediation Services Exception.--The requirements of subsection (a) shall be inapplicable in the case of sales financial intermediation service. Receipts shall be issued when the tax is imposed (in accordance with section 803 (relating to timing of tax on financial intermediation services)).

``SEC. 510. COORDINATION WITH TITLE 11.

``No addition to tax shall be made under section 504 with respect to a period during which a case is pending under title 11, United States Code--

``(1) if such tax was incurred by the estate and the failure occurred pursuant to an order of the court finding probable insufficiency of funds of the estate to pay administrative expenses; or

``(2) if--

``(A) such tax was incurred by the debtor before the earlier of the order for relief or (in the involuntary case) the appointment of a trustee; and

``(B) the petition was filed before the due date prescribed by law (including extensions) for filing a return of such tax, or the date for making the addition to tax occurs on or after the date the petition was filed.

``SEC. 511. APPLICABLE INTEREST RATE.

``(a) In General.--

``(1) Federal short-term rate.--In the case of a debt instrument, investment, financing lease, or account with a term of not over 3 years, the applicable interest rate is the Federal short-term rate.

``(2) Federal mid-term rate.--In the case of a debt instrument, investment, financing lease, or account with a term of over 3 years but not over 9 years, the applicable interest rate is the Federal mid-term rate.

``(3) Federal long-term rate.--In the case of a debt instrument, investment, financing lease, or account with a term of over 9 years, the applicable interest rate is the Federal long-term rate.

``(b) Federal Short-Term Rate.--The Federal short-term rate shall be the rate determined by the Secretary based on the average market yield (selected by the Secretary and ending in the calendar month in which the determination is made during any one month) on outstanding marketable obligations of the United States with remaining periods to maturity of 3 years or fewer.

``(c) Federal Mid-Term Rate.--The Federal mid-term rate shall be the rate determined by the Secretary based on the average market yield (selected by the Secretary and ending in the calendar month in which the determination is made during any 1 month) on outstanding marketable obligations of the United States with remaining periods to maturity of more than 3 years and not over 9 years.

``(d) Federal Long-Term Rate.--The Federal long-term rate shall be the rate determined by the Secretary based on the average market yield (selected by the Secretary and ending in the calendar month in which the determination is made during any 1 month) on outstanding marketable

obligations of the United States with remaining periods to maturity of over 9 years.

((e) Determination of Rates.--During each calendar month, the Secretary shall determine the Federal short-term rate, the Federal mid-term rate and the Federal long-term rate which shall apply during the following calendar month.

CHAPTER 6--COLLECTIONS; APPEALS; TAXPAYER RIGHTS

Sec. 601. Collections.

Sec. 602. Power to levy, etc.

Sec. 603. Problem resolution offices.

Sec. 604. Appeals.

Sec. 605. Taxpayer rights.

Sec. 606. Installment agreements compromises.

SEC. 601. COLLECTIONS.

The sales tax administering authority shall collect the taxes imposed by this subtitle, except as provided in section 404 (relating to Federal administration in certain States).

SEC. 602. POWER TO LEVY, ETC.

(a) In General.--The sales tax administering authority may levy and seize property, garnish wages or salary and file liens to collect amounts due under this subtitle, pursuant to enforcement of--

(1) a judgment duly rendered by a court of law;

(2) an amount due if the taxpayer has failed to exercise his appeals rights under section 604; or

(3) an amount due if the appeals process determined that an amount remained due and the taxpayer has failed to timely petition the Tax Court for relief.

(b) Exemption From Levy, Seizure, and Garnishments.--There shall be exempt from levy, seizure, and garnishment or penalty in connection with any tax imposed by this subtitle--

(1) wearing apparel, school books, fuel, provisions, furniture, personal effects, tools of a trade or profession, livestock in a household up to an aggregate value of \$15,000; and

(2) monthly money income equal to 150 percent of the monthly poverty level (as defined in section 303).

(c) Liens To Be Timely Released.--Subject to such reasonable regulations as the Secretary may provide, any lien imposed with respect to a tax imposed by this title shall be released not later than 30 days after--

(1) the liability was satisfied or became unenforceable; or

(2) a bond was accepted as security.

SEC. 603. PROBLEM RESOLUTION OFFICES.

(a) Problem Resolution Office To Be Established.--Each sales tax administering authority shall establish an independent Problem Resolution Office and appoint an adequate number of problem resolution officers. The head of the problem resolution office must be appointed

by, and serve at the pleasure of either the State Governor (in the case of an administering State) or the President of the United States.

``(b) Authority of Problem Resolution Officers.--Problem resolution officers shall have the authority to investigate complaints and issue a Taxpayer Assistance Order to administratively enjoin any collection activity if, in the opinion of the problem resolution officer, said collection activity is reasonably likely to not be in compliance with law or to prevent hardship (other than by reason of having to pay taxes lawfully due). Problem resolution officers shall also have the authority to issue Taxpayer Assistance Orders releasing or returning property that has been levied upon or seized, ordering that a lien be released and that garnished wages be returned. A Taxpayer Assistance Order may only be rescinded or modified by the problem resolution officer that issued it, by the highest official in the relevant sales tax administering authority or by its general counsel upon a finding that the collection activity is justified by clear and convincing evidence. The authority to reverse this Taxpayer Assistance Order may not be delegated.

``(c) Form of Request for Taxpayer Assistance Order.--The Secretary shall establish a form and procedure to aid persons requesting the assistance of the Problem Resolution Office and to aid the Problem Resolution Office in understanding the needs of the person seeking assistance. The use of this form, however, shall not be a prerequisite to a problem resolution officer taking action, including issuing a Taxpayer Assistance Order.

``(d) Content of Taxpayer Assistance Order.--A Taxpayer Assistance Order shall contain the name of the problem resolution officer, any provision relating to the running of any applicable period of limitation, the name of the person that the Taxpayer Assistance Order assists, the government office (or employee or officer of said government office) to whom it is directed and the action or cessation of action that the Taxpayer Assistance Order requires of said government officer (or employee or officer of said government office). The Taxpayer Assistance Order need not contain findings of fact or its legal basis; however, the problem resolution officer must provide findings of fact and the legal basis for the issuance of the Taxpayer Assistance Order to the sales tax administering authority upon the request of an officer of said authority within 2 weeks of the receipt of such request.

``(e) Independence Protected.--Problem resolution officers shall not be disciplined or adversely affected for the issuance of administrative injunctions unless a pattern of issuing injunctions that are manifestly unreasonable is proven in an administrative hearing by a preponderance of the evidence.

``(f) Other Rights Not Limited.--Nothing in this section shall limit the authority of the sales tax administering authority, the registered person or other person from pursuing any legal remedy in any court with jurisdiction over the dispute at issue.

``(g) Limitations.--The running of any applicable period of limitation shall be suspended for a period of 8 weeks following the issuance of a Taxpayer Assistance Order or, if specified, for a longer period set forth in the Taxpayer Assistance Order provided the suspension does not exceed 6 months.

``SEC. 604. APPEALS.

``(a) Administrative Appeals.--The sales tax administering authority shall establish an administrative appeals process wherein the registered person or other person in disagreement with a decision of the sales tax administering authority asserting liability for tax is provided a full and fair hearing in connection with any disputes said person has with the sales tax administering authority.

``(b) Timing of Administrative Appeals.--Said administrative appeal must be made within 60 days of receiving a final notice of amount due pursuant to section 605(d) unless leave for an extension is granted by the appeals officer in a form prescribed by the Secretary. Leave shall be granted to avoid hardship.

``SEC. 605. TAXPAYER RIGHTS.

``(a) Rights To Be Disclosed.--The sales tax administering authority shall provide to any person against whom it has--

- ``(1) commenced an audit or investigation;
- ``(2) issued a final notice of amount due;
- ``(3) filed an administrative lien, levy, or garnishment;
- ``(4) commenced other collection action;
- ``(5) commenced an action for civil penalties; or
- ``(6) any other legal action,

a document setting forth in plain English the rights of the person. The document shall explain the administrative appeals process, the authority of the Problem Resolution Office (established pursuant to section 603) and how to contact that Office, the burden of production and persuasion that the person and the sales tax administering authority bear (pursuant to section 505), the right of the person to professional fees (pursuant to section 506), the right to record interviews and such other rights as the person may possess under this subtitle. Said document will also set forth the procedures for entering into an installment agreement.

``(b) Right to Professional Assistance.--In all dealings with the sales tax administering authority, a person shall have the right to assistance, at their own expense, of one or more professional advisors.

``(c) Right To Record Interviews.--Any person who is interviewed by an agent of the sales tax administering authority shall have the right to video or audio tape the interview at the person's own expense.

``(d) Right to Final Notice of Amount Due.--No collection or enforcement action will be commenced against a person until 30 days after they have been provided with a final notice of amount due under this subtitle by the sales tax administering authority. The final notice of amount due shall set forth the amount of tax due (along with any interest and penalties due) and the factual and legal basis for such amounts being due with sufficient specificity that such basis can be understood by a reasonable person who is not a tax professional reading the notice. The final notice shall be sent by certified mail, return receipt requested, to--

- ``(1) the address last provided by a registered seller; or
- ``(2) the best available address to a person who is not a registered seller.

``(e) Confidentiality of Tax Information.--

``(1) In general.--All reports and report information (related to any internal revenue law) shall be confidential and except as authorized by this title--

- ``(A) no officer or employee (including former

officers and employees) of the United States;

``(B) no officer or employee (including former officers and employees) of any State or local agency who has had access to returns or return information; and

``(C) no other person who has had access to returns or return information;

shall disclose any report or report information obtained by him in any manner in connection with his service as such officer or employee or otherwise.

``(2) Designees.--The sales tax administering authority may, subject to such requirements as the Secretary may impose, disclose the report and report information of a person to that person or persons as that person may designate to receive said information or return.

``(3) Other sales tax administering authorities.--A sales tax administering authority may impose, disclose the report and report information to another sales tax administering authority.

``(4) Incompetency.--A sales tax administering authority may, subject to such requirements as the Secretary may impose, disclose the report and report information to the committee, trustee, or guardian of a person who is incompetent.

``(5) Deceased persons.--A sales tax administering authority may, subject to such requirements as the Secretary may impose, disclose the report and report information to the decedent's--

``(A) administrator, executor, estate trustee, or

``(B) heir at law, next of kin, or beneficiary under a will who has a material interest that will be affected by the information.

``(6) Bankruptcy.--A sales tax administering authority may, subject to such requirements as the Secretary may impose, disclose the report and report information to a person's trustee in bankruptcy.

``(7) Congress.--Upon written request from the Chairman of the Committee on Ways and Means, the Chairman of the Committee on Finance of the Senate, or the Chairman or Chief of Staff of the Joint Committee on Taxation, a sales tax administering authority shall disclose the report and report information, except that any report or report information that can be associated with or otherwise identify a particular person shall be furnished to such committee only when sitting in closed executive session unless such person otherwise consents in writing to such disclosure.

``(8) Waiver of privacy rights.--A person may waive confidentiality rights provided by this section. Such waiver must be in writing.

``(9) Internal use.--Disclosure of the report or report information by officers or employees of a sales tax administering authority to other officers or employees of a sales tax administering authority in the ordinary course of tax administration activities shall not constitute unlawful disclosure of the report or report information.

``(10) Statistical use.--Upon request in writing by the Secretary of Commerce, the Secretary shall furnish such reports

and report information to officers and employees of the Department of Commerce as the Secretary may prescribe by regulation for the purposes of, and only to the extent necessary in, the structuring of censuses and national economic accounts and conducting related statistical activities authorized by law.

((11) Department of the treasury.--Returns and return information shall be open for inspection by officers and employees of the Department of the Treasury whose official duties require such inspection or disclosure for the purpose of, and only to the extent necessary for, preparing economic or financial forecasts, projections, analyses, or estimates. Such inspection or disclosure shall be permitted only upon written request that sets forth the reasons why such inspection or disclosure is necessary and is signed by the head of the bureau or office of the Department of the Treasury requesting the inspection or disclosure.

SEC. 606. INSTALLMENT AGREEMENTS; COMPROMISES.

The sales tax administering authority is authorized to enter into written agreements with any person under which the person is allowed to satisfy liability for payment of any tax under this subtitle (and penalties and interest relating thereto) in installment payments if the sales tax administering authority determines that such agreement will facilitate the collection of such liability. The agreement shall remain in effect for the term of the agreement unless the information that the person provided to the sales tax administering authority was materially inaccurate or incomplete. The sales tax administering authority may compromise any amounts alleged to be due.

CHAPTER 7--SPECIAL RULES

- Sec. 701. Hobby activities.
- Sec. 702. Gaming activities.
- Sec. 703. Government purchases.
- Sec. 704. Government enterprises.
- Sec. 705. Mixed use property.
- Sec. 706. Not-for-profit organizations.

SEC. 701. HOBBY ACTIVITIES.

(a) Hobby Activities.--Neither the exemption afforded by section 102 for intermediate sales nor the credits available pursuant to section 202 or 203 shall be available for any taxable property or service purchased for use in an activity if that activity is not engaged in for-profit.

(b) Status Deemed.--If the activity has received gross payments for the sale of taxable property or services that exceed the sum of--

- (1) taxable property and services purchased;
- (2) wages and salary paid; and
- (3) taxes (of any type) paid,

in two or more of the most recent 3 calendar years during which it operated then the business activity shall be conclusively deemed to be engaged in for profit.

``SEC. 702. GAMING ACTIVITIES.

``(a) Registration.--Any person selling one or more chances is a gaming sponsor and shall register, in a form prescribed by the Secretary, with the sales tax administering authority as a gaming sponsor.

``(b) Chance Defined.--For purposes of this section, the term 'chance' means a lottery ticket, a raffle ticket, chips, other tokens, a bet or bets placed, a wager or wagers placed, or any similar device where the purchase of the right gives rise to an obligation by the gaming sponsor to pay upon the occurrence of--

``(1) a random or unpredictable event; or

``(2) an event over which neither the gaming sponsor nor the person purchasing the chance has control over the outcome.

``(c) Chances Not Taxable Property or Service.--Notwithstanding any other provision in this subtitle, a chance is not taxable property or services for purposes of section 101.

``(d) Tax on Gaming Services Imposed.--A 23-percent tax is hereby imposed on the taxable gaming services of a gaming sponsor. This tax shall be paid and remitted by the gaming sponsor. The tax shall be remitted by the 15th day of each month with respect to taxable gaming services during the previous calendar month.

``(e) Taxable Gaming Services Defined.--For purposes of this section, the term 'taxable gaming services' means--

``(1) gross receipts of the gaming sponsor from the sale of chances, minus

``(2) the sum of--

``(A) total gaming payoffs to chance purchasers (or their designees); and

``(B) gaming specific taxes (other than the tax imposed by this section) imposed by the Federal, State, or local government.

``SEC. 703. GOVERNMENT PURCHASES.

``(a) Government Purchases.--

``(1) Purchases by the federal government.--Purchases by the Federal Government of taxable property and services shall be subject to the tax imposed by section 101.

``(2) Purchase by state governments and their political subdivisions.--Purchases by State governments and their political subdivisions of taxable property and services shall be subject to the tax imposed by section 101.

``(b) Cross References.--For purchases by government enterprises see section 704.

``SEC. 704. GOVERNMENT ENTERPRISES.

``(a) Government Enterprises To Collect and Remit Taxes on Sales.--Nothing in this subtitle shall be construed to exempt any Federal, State, or local governmental unit or political subdivision (whether or not the State is an administering State) operating a government enterprise from collecting and remitting tax imposed by this subtitle on any sale of taxable property or services. Government enterprises shall comply with all duties imposed by this subtitle and shall be liable for penalties and subject to enforcement action in the same

manner as private persons that are not government enterprises.

``(b) Government Enterprise.--Any entity owned or operated by a Federal, State, or local governmental unit or political subdivision that receives gross payments from private persons is a government enterprise, except that a government-owned entity shall not become a government enterprise for purposes of this section unless in any quarter it has revenues from selling taxable property or services that exceed \$2,500.

``(c) Government Enterprises Intermediate Sales.--

``(1) In general.--Government enterprises shall not be subject to tax on purchases that would not be subject to tax pursuant to section 102(b) if the government enterprise were a private enterprise.

``(2) Exception.--Government enterprises may not use the exemption afforded by section 102(b) to serve as a conduit for tax-free purchases by government units that would otherwise be subject to taxation on purchases pursuant to section 703. Transfers of taxable property or services purchased exempt from tax from a government enterprise to such government unit shall be taxable.

``(d) Separate Books of Account.--Any government enterprise must maintain books of account, separate from the nonenterprise government accounts, maintained in accordance with generally accepted accounting principles.

``(e) Trade or Business.--A government enterprise shall be treated as a trade or business for purposes of this subtitle.

``(f) Enterprise Subsidies Constitute Taxable Purchase.--A transfer of funds to a government enterprise by a government entity without full consideration shall constitute a taxable government purchase with the meaning of section 703 to the extent that the transfer of funds exceeds the fair market value of the consideration.

``SEC. 705. MIXED USE PROPERTY.

``(a) Mixed Use Property or Service.--

``(1) Mixed use property or service defined.--For purposes of this section, the term 'mixed use property or service' is a taxable property or taxable service used for both taxable use or consumption and for a purpose that would not be subject to tax pursuant to section 102(a)(1).

``(2) Taxable threshold.--Mixed use property or service shall be subject to tax notwithstanding section 102(a)(1) unless such property or service is used more than 95 percent for purposes that would give rise to an exemption pursuant to section 102(a)(1) during each calendar year (or portions thereof) it is owned.

``(3) Mixed use property or services credit.--A person registered pursuant to section 502 is entitled to a business use conversion credit (pursuant to section 202) equal to the product of--

``(A) the mixed use property amount;

``(B) the business use ratio; and

``(C) the rate of tax imposed by section 101.

``(4) Mixed use property amount.--The mixed use property amount for each month (or fraction thereof) in which the property was owned shall be--

``(A) one-three-hundred-sixtieth of the gross payments for real property for 360 months or until the property is sold;

``(B) one-eighty-fourth of the gross payments for tangible personal property for 84 months or until the property is sold;

``(C) one-sixtieth of the gross payments for vehicles for 60 months or until the property is sold; or

``(D) for other types of taxable property or services, a reasonable amount or in accordance with regulations prescribed by the Secretary.

``(5) Business use ratio.--For purposes of this section, the term 'business use ratio' means the ratio of business use to total use for a particular calendar month (or portion thereof if the property was owned for only part of said calendar month). For vehicles, the business use ratio will be the ratio of business purpose miles to total miles in a particular calendar month. For real property, the business use ratio is the ratio of floor space used primarily for business purposes to total floor space in a particular calendar month. For tangible personal property (except for vehicles), the business use ratio is the ratio of total time used for business purposes to total time used in a particular calendar year. For other property or services, the business ratio shall be calculated using a reasonable method. Reasonable records must be maintained to support a person's business use of the mixed use property or service.

``(b) Timing of Business Use Conversion Credit Arising Out of Ownership of Mixed Use Property.--A person entitled to a credit pursuant to subsection (a) (3) arising out of the ownership of mixed use property must account for the mixed use on a calendar year basis, and may file for the credit with respect to mixed use property in any month following the calendar year giving rise to the credit.

``(c) Cross Reference.--For business use conversion credit, see section 202.

``SEC. 706. NOT-FOR-PROFIT ORGANIZATIONS.

``(a) Not-for-Profit Organizations.--Dues, contributions, and similar payments to qualified not-for-profit organizations shall not be considered gross payments for taxable property or services for purposes of this subtitle.

``(b) Definition.--For purposes of this section, the term 'qualified not-for-profit organization' means a not-for-profit organization organized and operated exclusively--

``(1) for religious, charitable, scientific, testing for public safety, literary, or educational purposes;

``(2) as civic leagues or social welfare organizations;

``(3) as labor, agricultural, or horticultural organizations;

``(4) as chambers of commerce, business leagues, or trade associations; or

``(5) as fraternal beneficiary societies, orders, or associations;

no part of the net earnings of which inures to the benefit of any

private shareholder or individual.

((c) Qualification Certificates.--Upon application in a form prescribed by the Secretary, the sales tax administering authority shall provide qualification certificates to qualified not-for-profit organizations.

((d) Taxable Transactions.--If a qualified not-for-profit organization provides taxable property or services in connection with contributions, dues, or similar payments to the organization, then it shall be required to treat the provision of said taxable property or services as a purchase taxable pursuant to this subtitle at the fair market value of said taxable property or services.

((e) Exemptions.--Taxable property and services purchased by a qualified not-for-profit organization shall be eligible for the exemptions provided in section 102.

CHAPTER 8--FINANCIAL INTERMEDIATION SERVICES

Sec. 801. Determination of financial intermediation services amount.

Sec. 802. Bad debts.

Sec. 803. Timing of tax on financial intermediation services.

Sec. 804. Financing leases.

Sec. 805. Basic interest rate.

Sec. 806. Foreign financial intermediation services.

SEC. 801. DETERMINATION OF FINANCIAL INTERMEDIATION SERVICES AMOUNT.

(a) Financial Intermediation Services.--For purposes of this subtitle--

(1) In general.--The term 'financial intermediation services' means the sum of--

(A) explicitly charged fees for financial intermediation services, and

(B) implicitly charged fees for financial intermediation services.

(2) Explicitly charged fees for financial intermediation services.--The term 'explicitly charged fees for financial intermediation services' includes--

(A) brokerage fees;

(B) explicitly stated banking, loan origination, processing, documentation, credit check fees, or other similar fees;

(C) safe-deposit box fees;

(D) insurance premiums, to the extent such premiums are not allocable to the investment account of the underlying insurance policy;

(E) trustees' fees; and

(F) other financial services fees (including mutual fund management, sales, and exit fees).

(3) Implicitly charged fees for financial intermediation services.--

(A) In general.--The term 'implicitly charged fees for financial intermediation services' includes the gross imputed amount in relation to any underlying interest-bearing investment, account, or debt.

(B) Gross imputed amount.--For purposes of subparagraph (A), the term 'gross imputed amount'

means--

``(i) with respect to any underlying interest-bearing investment or account, the product of--

``(I) the excess (if any) of the basic interest rate (as defined in section 805) over the rate paid on such investment; and

``(II) the amount of the investment or account; and

``(ii) with respect to any underlying interest-bearing debt, the product of--

``(I) the excess (if any) of the rate paid on such debt over the basic interest rate (as defined in section 805); and

``(II) the amount of the debt.

``(b) Seller of Financial Intermediation Services.--For purposes of section 103(a), the seller of financial intermediation services shall be--

``(1) in the case of explicitly charged fees for financial intermediation services, the seller shall be the person who receives the gross payments for the charged financial intermediation services;

``(2) in the case of implicitly charged fees for financial intermediation services with respect to any underlying interest-bearing investment or account, the person making the interest payments on the interest-bearing investment or account; and

``(3) in the case of implicitly charged fees for financial intermediation services with respect to any interest-bearing debt, the person receiving the interest payments on the interest-bearing debt.

``SEC. 802. BAD DEBTS.

``(a) In General.--For purposes of section 205(a), a bad debt shall be a business debt that becomes wholly or partially worthless to the payee.

``(b) Business Loan.--For purposes of subsection (a), a business loan or debt is a bona fide loan or debt made for a business purpose that both parties intended be repaid.

``(c) Determination of Worthlessness.--

``(1) In general.--No loan or debt shall be considered wholly or partially worthless unless it has been in arrears for 180 days or more, except that if a debt is discharged wholly or partially in bankruptcy before 180 days has elapsed, then it shall be deemed wholly or partially worthless on the date of discharge.

``(2) Determination by holder.--A loan or debt that has been in arrears for 180 days or more may be deemed wholly or partially worthless by the holder unless a payment schedule has been entered into between the debtor and the lender.

``(d) Cross Reference.--See section 205(c) for tax on subsequent payments.

``SEC. 803. TIMING OF TAX ON FINANCIAL INTERMEDIATION SERVICES.

``The tax on financial intermediation services provided by section 801 with respect to an underlying investment account or debt shall be imposed and collected with the same frequency that statements are rendered by the financial institution in connection with the investment account or debt but not less frequently than quarterly.

``SEC. 804. FINANCING LEASES.

``(a) Definition.--For purposes of this section, the term 'financing lease' means any lease under which the lessee has the right to acquire the property for 50 percent or less of its fair market value at the end of the lease term.

``(b) General Rule.--Financing leases shall be taxed in the method set forth in this section.

``(c) Determination of Principal and Interest Components of Financing Lease.--The Secretary shall promulgate rules for disaggregating the principal and interest components of a financing lease. The principal amount shall be determined to the extent possible by examination of the contemporaneous sales price or prices of property the same or similar as the leased property.

``(d) Alternative Method.--In the event that contemporaneous sales prices or property the same or similar as the leased property are not available, the principal and interest components of a financing lease shall be disaggregated using the applicable interest rate (as defined in section 511) plus 4 percent.

``(e) Principal Component.--The principal component of the financing lease shall be subject to tax as if a purchase in the amount of the principal component had been made on the day on which said lease was executed.

``(f) Interest Component.--The financial intermediation services amount with respect to the interest component of the financing lease shall be subject to tax under this subtitle.

``(g) Coordination.--If the principal component and financial intermediation services amount with respect to the interest component of a lease have been taxed pursuant to this section, then the gross lease or rental payments shall not be subject to additional tax.

``SEC. 805. BASIC INTEREST RATE.

``For purposes of this chapter, the basic interest rate with respect to a debt instrument, investment, financing lease, or account shall be the applicable interest rate (as determined in section 511). For debt instruments, investments, or accounts of contractually fixed interest, the applicable interest rate of the month of issuance shall apply. For debt instruments, investments, or accounts of variable interest rates and which have no reference interest rate, the applicable interest shall be the Federal short-term interest rate for each month. For debt instruments, investments, or accounts of variable interest rates and which have a reference interest rate, the applicable interest shall be the applicable interest rate for the reference interest rate for each month.

``SEC. 806. FOREIGN FINANCIAL INTERMEDIATION SERVICES.

``(a) Special Rules Relating to International Financial Intermediation Services.--Financial intermediation services shall be deemed as used or consumed within the United States if the person (or any related party as defined in section 205(e)) purchasing the services is a resident of the United States.

``(b) Designation of Tax Representative.--Any person that provides financial intermediation services to United States residents must, as a condition of lawfully providing such services, designate, in a form prescribed by the Secretary, a tax representative for purposes of this subtitle. The tax representative shall be responsible for ensuring that the taxes imposed by this subtitle are collected and remitted and shall be jointly and severally liable for collecting and remitting these taxes. The Secretary may require reasonable bond of the tax representative. The Secretary or a sales tax administering authority may bring an action seeking a temporary restraining order, an injunction, or such other order as may be appropriate to enforce this section.

``(c) Cross References.--For definition of person, see section 901.

``CHAPTER 9--ADDITIONAL MATTERS

``Sec. 901. Additional matters.

``Sec. 902. Transition matters.

``Sec. 903. Wages to be reported to Social Security Administration.

``Sec. 904. Trust Fund revenue.

``Sec. 905. Withholding of tax on nonresident aliens and foreign corporations.

``SEC. 901. ADDITIONAL MATTERS.

``(a) Intangible Property Antiavoidance Rule.--Notwithstanding section 2(a)(14)(a)(i), the sale of a copyright or trademark shall be treated as the sale of taxable services (within the meaning of section 101(a)) if the substance of the sales of copyright or trademark constituted the sale of the services that produced the copyrighted material or the trademark.

``(b) De Minimis Payments.--Up to \$400 of gross payments per calendar year shall be exempt from the tax imposed by section 101 if--

``(1) made by a person not in connection with a trade or business at any time during such calendar year prior to making said gross payments, and

``(2) made to purchase any taxable property or service which is imported into the United States by such person for use or consumption by such person in the United States.

``(c) De Minimis Sales.--Up to \$1,200 per calendar year of gross payments shall be exempt from the tax imposed by section 101 if received--

``(1) by a person not in connection with a trade or business during such calendar year prior to the receipt of said gross payments; and

``(2) in connection with a casual or isolated sale.

``(d) De Minimis Sale of Financial Intermediation Services.--Up to \$10,000 per calendar year of gross payments received by a person from the sale of financial intermediation services (as determined in accordance with section 801) shall be exempt from the tax imposed by section 101. The exemption provided by this subsection is in addition

to other exemptions afforded by this chapter. The exemption provided by this subsection shall not be available to large sellers (as defined in section 501(e)(3)).

``(e) Proxy Buying Taxable.--If a registered person provides taxable property or services to a person either as a gift, prize, reward, or as remuneration for employment, and such taxable property or services were not previously subject to tax pursuant to section 101, then the provision of such taxable property or services by the registered person shall be deemed the conversion of such taxable property or services to personal use subject to tax pursuant to section 103(c) at the tax inclusive fair market value of such taxable property or services.

``(f) Substance Over Form.--The substance of a transaction will prevail over its form if the transaction has no bona fide economic purpose and is designed to evade tax imposed by this subtitle.

``(g) Certain Employee Discounts Taxable.--

``(1) Employee discount.--For purposes of this subsection, the term 'employee discount' means an employer's offer of taxable property or services for sale to its employees or their families (within the meaning of section 302(b)) for less than the offer of such taxable property or services to the general public.

``(2) Employee discount amount.--For purposes of this subsection, the employee discount amount is the amount by which taxable property or services are sold pursuant to an employee discount below the amount for which such taxable property or services would have been sold to the general public.

``(3) Taxable amount.--If the employee discount amount exceeds 20 percent of the price that the taxable property or services would have been sold to the general public, then the sale of such taxable property or services by the employer shall be deemed the conversion of such taxable property or services to personal use and tax shall be imposed on the taxable employee discount amount. The taxable employee discount amount shall be--

``(A) the employee discount amount, minus

``(B) 20 percent of the amount for which said taxable property or services would have been sold to the general public.

``(h) Saturday, Sunday, or Legal Holiday.--When the last day prescribed for performing any act required by this subtitle falls on a Saturday, Sunday, or legal holiday (in the jurisdiction where the return is to be filed), the performance of such act shall be considered timely if it is performed on the next day which is not a Saturday, Sunday, or legal holiday (in the jurisdiction where the return is to be filed).

``SEC. 902. TRANSITION MATTERS.

``(a) Inventory.--

``(1) Qualified inventory.--Inventory held by a trade or business on the close of business on December 31, 2016, shall be qualified inventory if it is sold--

``(A) before December 31, 2017;

``(B) by a registered person; and

``(C) subject to the tax imposed by section 101.

``(2) Costs.--For purposes of this section, qualified inventory shall have the cost that it had for Federal income tax purposes for the trade or business as of December 31, 2016 (including any amounts capitalized by reason of section 263A of the Internal Revenue Code of 1986 as in effect on December 31, 2016).

``(3) Transitional inventory credit.--The trade or business which held the qualified inventory on the close of business on December 31, 2016, shall be entitled to a transitional inventory credit equal to the cost of the qualified inventory (determined in accordance with paragraph (2)) times the rate of tax imposed by section 101.

``(4) Timing of credit.--The credit provided under paragraph (3) shall be allowed with respect to the month when the inventory is sold subject to the tax imposed by this subtitle. Said credit shall be reported as an intermediate and export sales credit and the person claiming said credit shall attach supporting schedules in the form that the Secretary may prescribe.

``(b) Work-in-Process.--For purposes of this section, inventory shall include work-in-process.

``(c) Qualified Inventory Held by Businesses Not Selling Said Qualified Inventory at Retail.--

``(1) In general.--Qualified inventory held by businesses that sells said qualified inventory not subject to tax pursuant to section 102(a) shall be eligible for the transitional inventory credit only if that business (or a business that has successor rights pursuant to paragraph (2)) receives certification in a form satisfactory to the Secretary that the qualified inventory was subsequently sold subject to the tax imposed by this subtitle.

``(2) Transitional inventory credit right may be sold.--The business entitled to the transitional inventory credit may sell the right to receive said transitional inventory credit to the purchaser of the qualified inventory that gave rise to the credit entitlement. Any purchaser of such qualified inventory (or property or services into which the qualified inventory has been incorporated) may sell the right to said transitional inventory credit to a subsequent purchaser of said qualified inventory (or property or services into which the qualified inventory has been incorporated).

``SEC. 903. WAGES TO BE REPORTED TO SOCIAL SECURITY ADMINISTRATION.

``(a) In General.--Employers shall submit such information to the Social Security Administration as is required by the Social Security Administration to calculate Social Security benefits under title II of the Social Security Act, including wages paid, in a form prescribed by the Secretary. A copy of the employer submission to the Social Security Administration relating to each employee shall be provided to each employee by the employer.

``(b) Wages.--For purposes of this section, the term 'wages' means all cash remuneration for employment (including tips to an employee by third parties provided that the employer or employee maintains records documenting such tips) including self-employment income; except that such term shall not include--

- ``(1) any insurance benefits received (including death benefits);
 - ``(2) pension or annuity benefits received;
 - ``(3) tips received by an employee over \$5,000 per year;
- and
- ``(4) benefits received under a government entitlement program (including Social Security benefits and unemployment compensation benefits).

``(c) Self-Employment Income.--For purposes of subsection (b), the term 'self-employment income' means gross payments received for taxable property or services minus the sum of--

- ``(1) gross payments made for taxable property or services (without regard to whether tax was paid pursuant to section 101 on such taxable property or services), and
- ``(2) wages paid by the self-employed person to employees of the self-employed person.

``SEC. 904. TRUST FUND REVENUE.

``(a) Secretary To Make Allocation of Sales Tax Revenue.--The Secretary shall allocate the revenue received by virtue of the tax imposed by section 101 in accordance with this section. The revenue shall be allocated among--

- ``(1) the general revenue,
- ``(2) the old-age and survivors insurance trust fund,
- ``(3) the disability insurance trust fund,
- ``(4) the hospital insurance trust fund, and
- ``(5) the Federal supplementary medical insurance trust fund.

``(b) General Rule.--

- ``(1) General revenue.--The proportion of total revenue allocated to the general revenue shall be the same proportion as the rate in section 101(b)(4) bears to the combined Federal tax rate percentage (as defined in section 101(b)(3)).
- ``(2) The amount of revenue allocated to the old-age and survivors insurance and disability insurance trust funds shall be the same proportion as the old-age, survivors and disability insurance rate (as defined in subsection (d)) bears to the combined Federal tax rate percentage (as defined in section 101(b)(3)).
- ``(3) The amount of revenue allocated to the hospital insurance and Federal supplementary medical insurance trust funds shall be the same proportion as the hospital insurance rate (as defined in subsection (e)) bears to the combined Federal tax rate percentage (as defined in section 101(b)(3)).

``(c) Calendar Year 2017.--Notwithstanding subsection (b), the revenue allocation pursuant to subsection (a) for calendar year 2017 shall be as follows:

- ``(1) 64.83 percent of total revenue to general revenue,
- ``(2) 27.43 percent of total revenue to the old-age and survivors insurance and disability insurance trust funds, and
- ``(3) 7.74 percent of total revenue to the hospital insurance and Federal supplementary medical insurance trust funds.

``(d) Old-Age, Survivors and Disability Insurance Rate.--The old-age, survivors and disability insurance rate shall be determined by the

Social Security Administration. The old-age, survivors and disability insurance rate shall be that sales tax rate which is necessary to raise the same amount of revenue that would have been raised by imposing a 12.4 percent tax on the Social Security wage base (including self-employment income) as determined in accordance with chapter 21 of the Internal Revenue Code most recently in effect prior to the enactment of this Act. The rate shall be determined using actuarially sound methodology and announced at least 6 months prior to the beginning of the calendar year for which it applies.

((e) Hospital Insurance Rate.--The hospital insurance rate shall be determined by the Social Security Administration. The hospital insurance rate shall be that sales tax rate which is necessary to raise the same amount of revenue that would have been raised by imposing a 2.9 percent tax on the Medicare wage base (including self-employment income) as determined in accordance with chapter 21 of the Internal Revenue Code most recently in effect prior to the enactment of this Act. The rate shall be determined using actuarially sound methodology and announced at least 6 months prior to the beginning of the calendar year for which it applies.

((f) Assistance.--The Secretary shall provide such technical assistance as the Social Security Administration shall require to determine the old-age, survivors and disability insurance rate and the hospital insurance rate.

((g) Further Allocations.--

((1) Old-age, survivors and disability insurance.--The Secretary shall allocate revenue received because of the old-age, survivors and disability insurance rate to the old-age and survivors insurance trust fund and the disability insurance trust fund in accordance with law or, in the absence of other statutory provision, in the same proportion that the old-age and survivors insurance trust fund receipts bore to the sum of the old-age and survivors insurance trust fund receipts and the disability insurance trust fund receipts in calendar year 2016 (taking into account only receipts pursuant to chapter 21 of the Internal Revenue Code).

((2) Hospital insurance.--The Secretary shall allocate revenue received because of the hospital insurance rate to the hospital insurance trust fund and the Federal supplementary medical insurance trust fund in accordance with law or, in the absence of other statutory provision, in the same proportion that hospital insurance trust fund receipts bore to the sum of the hospital insurance trust fund receipts and Federal supplementary medical insurance trust fund receipts in calendar year 2016 (taking into account only receipts pursuant to chapter 21 of the Internal Revenue Code).

SEC. 905. WITHHOLDING OF TAX ON NONRESIDENT ALIENS AND FOREIGN CORPORATIONS.

((a) In General.--All persons, in whatever capacity acting (including lessees or mortgagors or real or personal property, fiduciaries, employers, and all officers and employees of the United States) having control, receipt, custody, disposal, or payment of any income to the extent such income constitutes gross income from sources within the United States of any nonresident alien individual, foreign partnership, or foreign corporation shall deduct and withhold from that

income a tax equal to 23 percent thereof.

``(b) Exception.--No tax shall be required to be deducted from interest on portfolio debt investments.

``(c) Treaty Countries.--In the case of payments to nonresident alien individuals, foreign partnerships, or foreign corporations that have a residence in (or the nationality of a country) that has entered into a tax treaty with the United States, then the rate of withholding tax prescribed by the treaty shall govern.''.

SEC. 202. CONFORMING AND TECHNICAL AMENDMENTS.

(a) Repeals.--The following provisions of the Internal Revenue Code of 1986 are repealed:

- (1) Subchapter A of chapter 61 of subtitle D (as redesignated by section 104) (relating to information and returns).
- (2) Sections 6103 through 6116 of subchapter B of chapter 61 of subtitle D (as so redesignated).
- (3) Section 6157 (relating to unemployment taxes).
- (4) Section 6163 (relating to estate taxes).
- (5) Section 6164 (relating to corporate taxes).
- (6) Section 6166 (relating to estate taxes).
- (7) Section 6167 (relating to foreign expropriation losses).
- (8) Sections 6201, 6205, and 6207 (relating to assessments).
- (9) Subchapter C of chapter 63 of subtitle D (as so redesignated) (relating to tax treatment of partnership items).
- (10) Section 6305 (relating to collections of certain liabilities).
- (11) Sections 6314, 6315, 6316, and 6317 (relating to payments of repealed taxes).
- (12) Sections 6324, 6324A, and 6324B (relating to liens for estate and gift taxes).
- (13) Section 6344 (relating to cross references).
- (14) Section 6411 (relating to carrybacks).
- (15) Section 6413 (relating to employment taxes).
- (16) Section 6414 (relating to withheld income taxes).
- (17) Section 6422 (relating to cross references).
- (18) Section 6425 (relating to overpayment of corporate estimated taxes).
- (19) Section 6504 (relating to cross references).
- (20) Section 6652 (relating to failure to file certain information returns).
- (21) Sections 6654 and 6655 (relating to failure to payment estimated income tax).
- (22) Section 6662 (relating to penalties).
- (23) Sections 6677 through 6711 (relating to income tax related penalties).
- (24) Part II of subchapter B of chapter 68 (relating to certain information returns).
- (25) Part I of subchapter A of chapter 70 (relating to termination of taxable year).
- (26) Section 6864 (relating to certain carrybacks).
- (27) Section 7103 (relating to cross references).
- (28) Section 7204 (relating to withholding statements).

- (29) Section 7211 (relating certain statements).
 - (30) Section 7231 (relating to failure to obtain certain licenses).
 - (31) Section 7270 (relating to insurance policies).
 - (32) Section 7404 (relating to estate taxes).
 - (33) Section 7404 (relating to income tax preparers).
 - (34) Section 7408 (relating to income tax shelters).
 - (35) Section 7409 (relating to 501(c)(3) organizations).
 - (36) Section 7427 (relating to income tax preparers).
 - (37) Section 7428 (relating to 501(c)(3) organizations).
 - (38) Section 7476 (relating to declaratory judgments relating to retirement plans).
 - (39) Section 7478 (relating to declaratory judgments relating to certain tax-exempt obligations).
 - (40) Section 7508 (relating to postponing time for certain actions required by the income, estate, and gift tax).
 - (41) Section 7509 (relating to Postal Service payroll taxes).
 - (42) Section 7512 (relating to payroll taxes).
 - (43) Section 7517 (relating to estate and gift tax evaluation).
 - (44) Section 7518 (relating to Merchant Marine tax incentives).
 - (45) Section 7519 (relating to taxable years).
 - (46) Section 7520 (relating to insurance and annuity valuation tables).
 - (47) Section 7523 (relating to reporting Federal income and outlays on Form 1040s).
 - (48) Section 7611 (relating to church income tax exemptions and church unrelated business income tax inquiries).
 - (49) Section 7654 (relating to possessions' income taxes).
 - (50) Section 7655 (relating to cross references).
 - (51) Section 7701(a)(16).
 - (52) Section 7701(a)(19).
 - (53) Section 7701(a)(20).
 - (54) Paragraphs (32) through (38) of section 7701(a).
 - (55) Paragraphs (41) through (46) of section 7701(a).
 - (56) Section 7701(b).
 - (57) Subsections (e) through (m) of section 7701.
 - (58) Section 7702 (relating to life insurance contracts).
 - (59) Section 7702A (relating to modified endowment contracts).
 - (60) Section 7702B (relating to long-term care insurance).
 - (61) Section 7703 (relating to the determination of marital status).
 - (62) Section 7704 (relating to publicly traded partnerships).
 - (63) Section 7805.
 - (64) Section 7851.
 - (65) Section 7872.
 - (66) Section 7873.
- (b) Other Conforming and Technical Amendments.--
- (1) Section 6151 is amended by striking subsection (b) and by redesignating subsection (c) as subsection (b).
 - (2) Section 6161 is amended to read as follows:

``SEC. 6161. EXTENSION OF TIME FOR PAYING TAX.

``The Secretary, except as otherwise provided in this title, may extend the time for payment of the amount of the tax shown or required to be shown on any return, report, or declaration required under authority of this title for a reasonable period not to exceed 6 months (12 months in the case of a taxpayer who is abroad).''.

(3) Section 6211(a) is amended--

(A) by striking ``income, estate and gift taxes imposed by subtitles A and B and'',

(B) by striking ``subtitle A or B, or'', and

(C) by striking `` , as defined in subsection

(b) (2), '' in paragraph (2).

(4) Section 6211(b) is amended to read as follows:

``(b) Rebate Defined.--For purposes of subsection (a) (2), the term `rebate' means so much of an abatement, credit, refund, or other payment, as was made on the ground that the tax imposed by chapter 41, 42, 43, or 44 was less than the excess of the amount specified in subsection (a) (1) over the rebates previously made.''.

(5) Section 6212(b) is amended to read as follows:

``(b) Address for Notice of Deficiency.--In the absence of notice to the Secretary under section 6903 of the existence of a fiduciary relationship, notice of a deficiency in respect of a tax imposed by chapter 42, 43, or 44 if mailed to the taxpayer at his last known address, shall be sufficient for purposes of such chapter and this chapter even if such taxpayer is deceased, or is under a legal disability, or, in the case of a corporation has terminated its existence.''.

(6) Section 6302(b) is amended by striking ``21,''.

(7) Section 6302 is amended by striking subsections (g) and (i) and by redesignating subsection (h) as subsection (g).

(8) Section 6325 is amended by striking subsection (c) and by redesignating subsections (d) through (h) as subsections (c) through (g), respectively.

(9) Section 6402(d) is amended by striking paragraph (3).

(10) Section 6402 is amended by striking subsection (j) and by redesignating subsection (k) as subsection (j).

(11) Section 6501(b) is amended--

(A) by striking ``except tax imposed by chapter 3, 21, or 24,' ' in paragraph (1), and

(B) by striking paragraph (2) and by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(12) Section 6501(c) is amended by striking paragraphs (5) through (9).

(13) Section 6501(e) is amended by striking ``subsection (c)--'' and all that follows through ``subtitle D'' in paragraph (3) and inserting ``subsection (c), in the case of a return of a tax imposed under a provision of subtitle B''.

(14) Section 6501 is amended by striking subsections (f) through (k) and subsections (m) and (n) and by redesignating subsection (l) as subsection (f).

(15) Section 6503(a) is amended--

(A) by striking paragraph (2),

(B) by striking ``Deficiency.--'' and all that follows through ``The running'' and inserting

``Deficiency.--The running'', and

(C) by striking ``income, estate, gift and''.

(16) Section 6503 is amended by striking subsections (e), (f), (i), and (k) and by redesignating subsections (g), (h), and (j) as subsections (e), (f), and (g), respectively.

(17) Section 6511 is amended by striking subsections (d) and (g) and by redesignating subsections (f) and (h) as subsections (d) and (e), respectively.

(18) Section 6512(b)(1) is amended by striking ``of income tax for the same taxable year, of gift tax for the same calendar year or calendar quarter, of estate tax in respect of the taxable estate of the same decedent or''.

(19) Section 6513 is amended--

(A) by striking ``(a) Early Return or Advance Payment of Tax.--'', and

(B) by striking subsections (b) and (e).

(20) Chapter 67 is amended by striking subchapters A through D and inserting the following:

``SEC. 6601. INTEREST ON OVERPAYMENTS AND UNDERPAYMENT.

``(a) Underpayments.--If any amount of tax imposed by this title is not paid on or before the last date prescribed for payment, interest on such amount at the Federal short-term rate (as defined in section 511(b)) shall be paid from such last date to the date paid.

``(b) Overpayments.--Interest shall be allowed and paid upon any overpayment in respect of any internal revenue tax at the Federal short-term rate (as defined in section 511(b)) from 60 days after the date of the overpayment until the date the overpayment is refunded.''.

(21) Section 6651(a)(1) is amended by striking ``subchapter A of chapter 61 (other than part III thereof,''.

(22) Section 6656 is amended by striking subsection (c) and by redesignating subsection (d) as subsection (c).

(23) Section 6663 is amended by striking subsection (c).

(24) Section 6664(c) is amended--

(A) by striking ``Exception.--'' and all that follows through ``No penalty'' and inserting ``Exception.--No penalty'', and

(B) by striking paragraphs (2) and (3).

(25) Chapter 72 is amended by striking all matter preceding section 7011.

(26) Section 7422 is amended by striking subsections (h) and (i) and by redesignating subsections (j) and (k) as subsections (h) and (i), respectively.

(27) Section 7451 is amended to read as follows:

``SEC. 7451. FEE FOR FILING PETITION.

``The Tax Court is authorized to impose a fee in an amount not in excess of \$60 to be fixed by the Tax Court for the filing of any petition for the redetermination of a deficiency.''.

(28) Section 7454 is amended by striking subsection (b) and by redesignating subsection (c) as subsection (b).

(29) Section 7463(a) is amended--

(A) by striking paragraphs (2) and (3),

(B) by redesignating paragraph (4) as paragraph

(2), and

(C) by striking ``D'' in paragraph (2) (as so redesignated) and inserting ``B''.

(30) Section 7463(c) is amended by striking ``sections 6214(a) and'' and inserting ``section''.

(31) Section 7463(c) is amended by striking ``, to the extent that the procedures described in subchapter B of chapter 63 apply''.

(32) Section 7481 is amended by striking subsection (d).

(33) Section 7608 is amended by striking ``subtitle E'' each place it appears and inserting ``subtitle C''.

(34) Section 7651 is amended by striking paragraph (5).

(35) Section 7701(a)(29) is amended by striking ``1986'' and inserting ``2013''.

(36) Section 7809(c) is amended by striking paragraphs (1) and (4) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(37) Section 7871(a) is amended by striking paragraphs (1) and (3) through (6) and by redesignating paragraphs (2) and (7) as paragraphs (1) and (2), respectively.

(38) Section 7871 is amended by striking subsection (c) and by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

(39) Section 8021 is amended by striking subsection (a) and by redesignating subsections (b) through (f) as subsections (a) through (e), respectively.

(40) Section 8022(a)(2)(A) is amended by striking ``, particularly the income tax''.

(41) Section 8023 is amended by striking ``Internal Revenue Service'' each place it appears and inserting ``Department of the Treasury''.

(42) Section 9501(b)(2) is amended by striking subparagraph (C).

(43) Section 9702(a) is amended by striking paragraph (4).

(44) Section 9705(a) is amended by striking paragraph (4) and by redesignating paragraph (5) as paragraph (4).

(45) Section 9706(d)(2)(A) is amended by striking ``6103'' and inserting ``605(e)''.

(46) Section 9707 is amended by striking subsection (f).

(47) Section 9712(d) is amended by striking paragraph (5) and by redesignating paragraph (6) as paragraph (5).

(48) Section 9803(a) is amended by striking ``(as defined in section 414(f))''.

TITLE III--OTHER MATTERS

SEC. 301. PHASE-OUT OF ADMINISTRATION OF REPEALED FEDERAL TAXES.

(a) Appropriations.--Appropriations for any expenses of the Internal Revenue Service including processing tax returns for years prior to the repeal of the taxes repealed by title I of this Act, revenue accounting, management, transfer of payroll and wage data to the Social Security Administration for years after fiscal year 2019 shall not be authorized.

(b) Records.--Federal records related to the administration of taxes repealed by title I of this Act shall be destroyed by the end of

fiscal year 2019, except that any records necessary to calculate Social Security benefits shall be retained by the Social Security Administration and any records necessary to support ongoing litigation with respect to taxes owed or refunds due shall be retained until final disposition of such litigation.

(c) Conforming Amendments.--Section 7802 is amended--

(1) by striking subsections (a) and (b) and by redesignating subsections (c) and (d) as subsections (a) and (b),

(2) by striking ``Internal Revenue Service'' each place it appears and inserting ``Department of the Treasury'', and

(3) by striking ``Commissioner'' or ``Commissioner of Internal Revenue'' each place they appear and inserting ``Secretary''.

(d) Effective Date.--The amendments made by subsection (c) shall take effect on January 1, 2019.

SEC. 302. ADMINISTRATION OF OTHER FEDERAL TAXES.

(a) In General.--Section 7801 (relating to the authority of the Department of the Treasury) is amended by adding at the end the following:

``(d) Excise Tax Bureau.--There shall be in the Department of the Treasury an Excise Tax Bureau to administer those excise taxes not administered by the Bureau of Alcohol, Tobacco and Firearms.

``(e) Sales Tax Bureau.--There shall be in the Department of the Treasury a Sales Tax Bureau to administer the national sales tax in those States where it is required pursuant to section 404, and to discharge other Federal duties and powers relating to the national sales tax (including those required by sections 402, 403, and 405). The Office of Revenue Allocation shall be within the Sales Tax Bureau.''

(b) Assistant General Counsels.--Section 7801(b)(2) is amended to read as follows:

``(2) Assistant general counsels.--The Secretary of the Treasury may appoint, without regard to the provisions of the civil service laws, and fix the duties of not more than 5 assistant general counsels.''

SEC. 303. SALES TAX INCLUSIVE SOCIAL SECURITY BENEFITS INDEXATION.

Subparagraph (D) of section 215(i)(1) of the Social Security Act (42 U.S.C. 415(i)(1)) (relating to cost-of-living increases in Social Security benefits) is amended to read as follows:

``(D)(i) the term `CPI increase percentage', with respect to a base quarter or cost-of-living quarter in any calendar year, means the percentage (rounded to the nearest one-tenth of 1 percent) by which the Consumer Price Index for that quarter (as prepared by the Department of Labor) exceeds such index for the most recent prior calendar quarter which was a base quarter under subparagraph (A)(ii) or, if later, the most recent cost-of-living computation quarter under subparagraph (B);

``(ii) if the Consumer Price Index (as so prepared) does not include the national sales tax paid, then the term `CPI increase percentage', with respect to a base quarter or cost-of-living quarter in any calendar year, means the percentage (rounded to the nearest one-tenth of 1 percent) by which the

product of--

``(I) the Consumer Price Index for that quarter (as so prepared), and

``(II) the national sales tax factor, exceeds such index for the most recent prior calendar quarter which was a base quarter under subparagraph (A)(ii) or, if later, the most recent cost of living computation quarter under subparagraph (B); and

``(iii) the national sales tax factor is equal to one plus the quotient that is--

``(I) the sales tax rate imposed by section 101 of the Internal Revenue Code of 2015, divided by

``(II) the quantity that is one minus such sales tax rate.''.

TITLE IV--SUNSET OF SALES TAX IF SIXTEENTH AMENDMENT NOT REPEALED

SEC. 401. ELIMINATION OF SALES TAX IF SIXTEENTH AMENDMENT NOT REPEALED.

If the Sixteenth Amendment to the Constitution of the United States is not repealed before the end of the 7-year period beginning on the date of the enactment of this Act, then all provisions of, and amendments made by, this Act shall not apply to any use or consumption in any year beginning after December 31 of the calendar year in which or with which such period ends, except that the Sales Tax Bureau of the Department of the Treasury shall not be terminated until 6 months after such December 31.

**APPENDIX II
BALANCED BUDGET AMENDMENT**

**H.J.RES.1 -- Proposing a balanced budget amendment to the Constitution of the United States.
(Reported in House - RH)**

HJ 1 RH

House Calendar No. 49
112th CONGRESS
1st Session
H. J. RES. 1
[Report No. 112-117]

Proposing a balanced budget amendment to the Constitution of the United States.

IN THE HOUSE OF REPRESENTATIVES

January 5, 2011

Mr. GOODLATTE (for himself, Mr. HENSARLING, Mr. KINGSTON, Mr. SMITH of Texas, Mr. COFFMAN of Colorado, Mr. AKIN, Mr. ALEXANDER, Mrs. BACHMANN, Mr. BACHUS, Mr. BILBRAY, Mr. BRADY of Texas, Mr. BROOKS, Mr. BROUN of Georgia, Mr. BURGESS, Mr. BURTON of Indiana, Mr. CAMPBELL, Mr. CARTER, Mr. CHAFFETZ, Mr. CONAWAY, Mr. CRAWFORD, Mr. DENT, Mr. DUNCAN of Tennessee, Mrs. EMERSON, Mr. FLEMING, Mr. FORBES, Mr. FRANKS of Arizona, Mr. GALLEGLY, Mr. GARDNER, Mr. GOHMERT, Mr. GRIFFITH of Virginia, Mr. HALL, Mr. HERGER, Mr. HULTGREN, Mr. HURT, Mr. ISSA, Mr. JORDAN, Mr. KING of Iowa, Mr. LAMBORN, Mr. LANCE, Mr. LATTI, Mr. LUETKEMEYER, Mr. MACK, Mr. MANZULLO, Mr. MCCAUL, Mr. MCCLINTOCK, Mr. MCHENRY, Mrs. MCMORRIS RODGERS, Mr. MILLER of Florida, Mrs. MILLER of Michigan, Mrs. MYRICK, Mr. NEUGEBAUER, Mr. NUGENT, Mr. OLSON, Mr. PENCE, Mr. PLATTS, Mr. POE of Texas, Mr. POSEY, Mr. REHBERG, Mr. RIGELL, Mr. ROE of Tennessee, Mr. ROGERS of Kentucky, Mr. ROSKAM, Mr. ROSS of Florida, Mr. ROYCE, Mr. SCALISE, Mr. SENSENBRENNER, Mr. SESSIONS, Mr. SULLIVAN, Mr. THOMPSON of Pennsylvania, Mr. UPTON, Mr. WESTMORELAND, Mr. WILSON of South Carolina, Mr. WITTMAN, Mr. YOUNG of Alaska, Ms. FOXX, Mr. RIBBLE, Mrs. BLACKBURN, Mr. FARENTHOLD, Mr. GRAVES of Missouri, Mr. PEARCE, Mr. PITTS, Mr. POMPEO, Mr. BARTLETT, Mr. GARRETT, and Mr. CHABOT) introduced the following joint resolution; which was referred to the Committee on the Judiciary

June 23, 2011

Additional sponsors: Ms. HAYWORTH, Mr. BILIRAKIS, Mr. HUIZENGA of Michigan, Mr. WALBERG, Mr. LANDRY, Mr. CULBERSON, Mr. DUNCAN of South Carolina, Mr. GINGREY of Georgia, Mr. HARRIS, Mr. HUELSKAMP, Mr. KLINE, Mr. WEST, Mr. WHITFIELD, Mr. FINCHER, Mr. GIBBS, Mr. GOWDY, Mr. MCCOTTER, Mr. SOUTHERLAND, Mr. STUTZMAN, Mrs. SCHMIDT, Mr. MARCHANT, Mr. SCHWEIKERT, Mr. MULVANEY, Mr. DESJARLAIS, Mr. MCINTYRE, Mr. CAMP, Mr. DENHAM, Mr. FLAKE, Mr. GRAVES of Georgia, Mr. NUNNELEE, Mr. TERRY, Mr. ROKITA, Mr. GUINTA, Mr. STEARNS, Mr. JOHNSON of Ohio, Mr. BENISHEK,

Mr. ROHRABACHER, Mr. TIPTON, Ms. BUERKLE, Mrs. ADAMS, Mr. CRAVAACK, Mr. HELLER, Mr. LABRADOR, Mr. SCOTT of South Carolina, Mr. FLORES, Mr. DAVIS of Kentucky, Mr. YOUNG of Indiana, Mr. GRIFFIN of Arkansas, and Mr. COBLE

June 23, 2011

Reported with an amendment, referred to the House Calendar, and ordered to be printed

JOINT RESOLUTION

Proposing a balanced budget amendment to the Constitution of the United States.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), that the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission for ratification:

`Article--

`Section 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

`Section 2. Total outlays for any fiscal year shall not exceed 18 percent of economic output of the United States, unless two-thirds of each House of Congress shall provide for a specific increase of outlays above this amount.

`Section 3. The limit on the debt of the United States held by the public shall not be increased unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

`Section 4. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year in which total outlays do not exceed total receipts.

`Section 5. A bill to increase revenue shall not become law unless two-thirds of the whole number of each House shall provide by law for such an increase by a rollcall vote.

`Section 6. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

`Section 7. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

`Section 8. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

Appendix II
Balanced Budget Amendment

*'Section 9. This article shall take effect beginning with the later of the second fiscal year beginning after its ratification or the first fiscal year beginning after December 31, 2016.'*³⁵

³⁵ Bill Text, 112th Congress (2011-2012), H.J.RES.1.RH, <http://thomas.loc.gov/cgi-bin/query/z?c112:H.J.RES.1.RH>:

APPENDIX III

THE DECLARATION OF INDEPENDENCE

IN CONGRESS, JULY 4, 1776

The unanimous Declaration of the thirteen united States of America

When in the Course of human events it becomes necessary for one people to dissolve the political bands which have connected them with another and to assume among the powers of the earth, the separate and equal station to which the Laws of Nature and of Nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation.

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness. --That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed, -- That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness. Prudence, indeed, will dictate that Governments long established should not be changed for light and transient causes; and accordingly all experience hath shewn that mankind are more disposed to suffer, while evils are sufferable than to right themselves by abolishing the forms to which they are accustomed. But when a long train of abuses and usurpations, pursuing invariably the same Object evinces a design to reduce them under absolute Despotism, it is their right, it is their duty, to throw off such Government, and to provide new Guards for their future security. --Such has been the patient sufferance of these Colonies; and such is now the necessity which constrains them to alter their former Systems of Government. The history of the present King of Great Britain is a history of repeated injuries and usurpations, all having in direct object the establishment of an absolute Tyranny over these States. To prove this, let Facts be submitted to a candid world.

He has refuted his Assent to Laws, the most wholesome and necessary for the public good.

He has forbidden his Governors to pass Laws of immediate and pressing importance, unless suspended in their operation till his Assent should be obtained; and when so suspended, he has utterly neglected to attend to them.

He has refused to pass other Laws for the accommodation of large districts of people,

Appendix III
The Declaration of Independence

unless those people would relinquish the right of Representation in the Legislature, a right inestimable to them and formidable to tyrants only.

He has called together legislative bodies at places unusual, uncomfortable, and distant from the depository of their Public Records, for the sole purpose of fatiguing them into compliance with his measures.

He has dissolved Representative Houses repeatedly, for opposing with manly firmness his invasions on the rights of the people.

He has refused for a long time, after such dissolutions, to cause others to be elected, whereby the Legislative Powers, incapable of Annihilation, have returned to the People at large for their exercise; the State remaining in the mean time exposed to all the dangers of invasion from without, and convulsions within.

He has endeavoured to prevent the population of these States; for that purpose obstructing the Laws for Naturalization of Foreigners; refusing to pass others to encourage their migrations hither, and raising the conditions of new Appropriations of Lands.

He has obstructed the Administration of Justice by refusing his Assent to Laws for establishing Judiciary Powers.

He has made Judges dependent on his Will alone for the tenure of their offices, and the amount and payment of their salaries.

He has erected a multitude of New Offices, and sent hither swarms of Officers to harass our people and eat out their substance.

He has kept among us, in times of peace, Standing Armies without the Consent of our legislatures.

He has affected to render the Military independent of and superior to the Civil Power.

He has combined with others to subject us to a jurisdiction foreign to our constitution, and unacknowledged by our laws; giving his Assent to their Acts of pretended Legislation:

For quartering large bodies of armed troops among us:

Appendix III The Declaration of Independence

For protecting them, by a mock Trial from punishment for any Murders which they should commit on the Inhabitants of these States:

For cutting off our Trade with all parts of the world:

For imposing Taxes on us without our Consent:

For depriving us in many cases, of the benefit of Trial by Jury:

For transporting us beyond Seas to be tried for pretended offences:

For abolishing the free System of English Laws in a neighbouring Province, establishing therein an Arbitrary government, and enlarging its Boundaries so as to render it at once an example and fit instrument for introducing the same absolute rule into these Colonies

For taking away our Charters, abolishing our most valuable Laws and altering fundamentally the Forms of our Governments:

For suspending our own Legislatures, and declaring themselves invested with power to legislate for us in all cases whatsoever.

He has abdicated Government here, by declaring us out of his Protection and waging War against us.

He has plundered our seas, ravaged our Coasts burnt our towns, and destroyed the lives of our people.

He is at this time transporting large Armies of foreign Mercenaries to compleat the works of death, desolation, and tyranny, already begun with circumstances of Cruelty & Perfidy scarcely paralleled in the most barbarous ages, and totally unworthy the Head of a civilized nation.

He has constrained our fellow Citizens taken Captive on the high Seas to bear Arms against their Country, to become the executioners of their friends and Brethren, or to fall themselves by their Hands.

He has excited domestic insurrections amongst us, and has endeavoured to bring on the inhabitants of our frontiers, the merciless Indian Savages whose known rule of warfare, is an undistinguished destruction of all ages, sexes and conditions.

Appendix III The Declaration of Independence

In every stage of these Oppressions We have Petitioned for Redress in the most humble terms: Our repeated Petitions have been answered only by repeated injury. A Prince, whose character is thus marked by every act which may define a Tyrant, is unfit to be the ruler of a free people.

Nor have We been wanting in attentions to our British brethren. We have warned them from time to time of attempts by their legislature to extend an unwarrantable jurisdiction over us. We have reminded them of the circumstances of our emigration and settlement here. We have appealed to their native justice and magnanimity, and we have conjured them by the ties of our common kindred. to disavow these usurpations, which would inevitably interrupt our connections and correspondence. They too have been deaf to the voice of justice and of consanguinity. We must, therefore, acquiesce in the necessity, which denounces our Separation, and hold them, as we hold the rest of mankind, Enemies in War, in Peace Friends.

We, therefore, the Representatives of the United States of America, in General Congress, Assembled, appealing to the Supreme Judge of the world for the rectitude of our intentions, do, in the Name, and by Authority of the good People of these Colonies, solemnly publish and declare, That these United Colonies are, and of Right ought to be Free and Independent States, that they are Absolved from all Allegiance to the British Crown, and that all political connection between them and the State of Great Britain, is and ought to be totally dissolved; and that as Free and Independent States, they have full Power to levy War, conclude Peace contract Alliances, establish Commerce, and to do all other Acts and Things which Independent States may of right do. --And for the support of this Declaration, with a firm reliance on the protection of Divine Providence, we mutually pledge to each other our Lives, our Fortunes and our sacred Honor.

--John Hancock

New Hampshire:

Josiah Bartlett, William Whipple, Matthew Thornton

Massachusetts:

John Hancock, Samuel Adams, John Adams, Robert Treat Paine, Elbridge Gerry

Rhode Island:

Stephen Hopkins, William Ellery

Connecticut:

Roger Sherman, Samuel Huntington, William Williams, Oliver Wolcott

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The Declaration of Independence

New York:

William Floyd, Philip Livingston, Francis Lewis, Lewis Morris

New Jersey:

Richard Stockton, John Witherspoon, Francis Hopkinson, John Hart, Abraham Clark

Pennsylvania:

Robert Morris, Benjamin Rush, Benjamin Franklin, John Morton, George Clymer, James Smith, George Taylor, James Wilson, George Ross

Delaware:

Caesar Rodney, George Read, Thomas McKean

Maryland:

Samuel Chase, William Paca, Thomas Stone, Charles Carroll of Carrollton

Virginia:

George Wythe, Richard Henry Lee, Thomas Jefferson, Benjamin Harrison, Thomas Nelson, Jr., Francis Lightfoot Lee, Carter Braxton

North Carolina:

William Hooper, Joseph Hewes, John Penn

South Carolina:

Edward Rutledge, Thomas Heyward, Jr., Thomas Lynch, Jr., Arthur Middleton

Georgia:

Button Gwinnett, Lyman Hall, George Walton

Appendix III
The Declaration of Independence

APPENDIX IV

THE CONSTITUTION OF THE UNITED STATES

Preamble [Note](#)

We the People of the United States, in Order to form a more perfect Union, establish Justice, insure [domestic Tranquility](#), provide for the common [defence](#), promote the general [Welfare](#), and secure the Blessings of Liberty to ourselves and our [Posterity](#), do [ordain](#) and establish this Constitution for the United States of America.

Article. I. - The Legislative Branch [Note](#)

Section 1 - The Legislature

All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

Section 2 - The House

The House of Representatives shall be composed of Members chosen every second Year by the People of the several States, and the Electors in each State shall have the Qualifications requisite for Electors of the most numerous Branch of the State Legislature.

No Person shall be a Representative who shall not have attained to the Age of twenty five Years, and been seven Years a Citizen of the United States, and who shall not, when elected, be an Inhabitant of that State in which he shall be chosen.

(Representatives and direct Taxes shall be [apportioned](#) among the several States which may be included within this Union, according to their respective Numbers, which shall be determined by adding to the whole Number of free Persons, including those bound to Service for a Term of Years, and excluding Indians not taxed, three fifths of all other Persons.) (The previous sentence in parentheses was modified by the [14th Amendment, section 2](#).) The actual [Enumeration](#) shall be made within three Years after the first Meeting of the Congress of the United States, and within every subsequent Term of ten Years, in such Manner as they shall by Law direct. The Number of Representatives shall not exceed one for every thirty Thousand, but each State shall have at Least one Representative; and until such [enumeration](#) shall be made, the State of New Hampshire shall be entitled to [chuse](#) three, Massachusetts eight, Rhode Island and Providence Plantations one, Connecticut five, New York six, New Jersey four, Pennsylvania eight, Delaware one, Maryland six, Virginia ten, North Carolina five, South Carolina five and Georgia three.

When vacancies happen in the Representation from any State, the Executive Authority thereof shall issue Writs of Election to fill such Vacancies.

The House of Representatives shall [chuse](#) their Speaker and other Officers; and shall have the sole Power of [Impeachment](#).

Section 3 - The Senate

The Senate of the United States shall be composed of two Senators from each State, *(chosen by the Legislature thereof,)* **(The preceding words in parentheses superseded by [17th Amendment, section 1.](#))** for six Years; and each Senator shall have one Vote.

Immediately after they shall be assembled in Consequence of the first Election, they shall be divided as equally as may be into three Classes. The Seats of the Senators of the first Class shall be vacated at the Expiration of the second Year, of the second Class at the Expiration of the fourth Year, and of the third Class at the Expiration of the sixth Year, so that one third may be chosen every second Year; *(and if Vacancies happen by Resignation, or otherwise, during the Recess of the Legislature of any State, the Executive thereof may make temporary Appointments until the next Meeting of the Legislature, which shall then fill such Vacancies.)* **(The preceding words in parentheses were superseded by the [17th Amendment, section 2.](#))**

No person shall be a Senator who shall not have attained to the Age of thirty Years, and been nine Years a Citizen of the United States, and who shall not, when elected, be an Inhabitant of that State for which he shall be chosen.

The Vice President of the United States shall be President of the Senate, but shall have no Vote, unless they be equally divided.

The Senate shall [chuse](#) their other Officers, and also a President [pro tempore](#), in the absence of the Vice President, or when he shall exercise the Office of President of the United States.

The Senate shall have the sole Power to try all [Impeachments](#). When sitting for that Purpose, they shall be on Oath or Affirmation. When the President of the United States is tried, the Chief Justice shall preside: And no Person shall be convicted without the [Concurrence](#) of two thirds of the Members present.

Judgment in Cases of [Impeachment](#) shall not extend further than to removal from Office, and disqualification to hold and enjoy any Office of honor, Trust or Profit under the United States: but the Party convicted shall nevertheless be liable and subject to Indictment, Trial, Judgment and Punishment, according to Law.

Section 4 - Elections, Meetings

The Times, Places and Manner of holding Elections for Senators and Representatives, shall be prescribed in each State by the Legislature thereof; but the Congress may at any time by Law make or alter such Regulations, except as to the Place of Chusing Senators.

The Congress shall assemble at least once in every Year, and such Meeting shall (*be on the first Monday in December,*) **(The preceding words in parentheses were superseded by the 20th Amendment, section 2.)** unless they shall by Law appoint a different Day.

Section 5 - Membership, Rules, Journals, Adjournment

Each House shall be the Judge of the Elections, Returns and Qualifications of its own Members, and a Majority of each shall constitute a Quorum to do Business; but a smaller number may adjourn from day to day, and may be authorized to compel the Attendance of absent Members, in such Manner, and under such Penalties as each House may provide.

Each House may determine the Rules of its Proceedings, punish its Members for disorderly Behavior, and, with the Concurrence of two-thirds, expel a Member.

Each House shall keep a Journal of its Proceedings, and from time to time publish the same, excepting such Parts as may in their Judgment require Secrecy; and the Yeas and Nays of the Members of either House on any question shall, at the Desire of one fifth of those Present, be entered on the Journal.

Neither House, during the Session of Congress, shall, without the Consent of the other, adjourn for more than three days, nor to any other Place than that in which the two Houses shall be sitting.

Section 6 - Compensation

(The Senators and Representatives shall receive a Compensation for their Services, to be ascertained by Law, and paid out of the Treasury of the United States.) **(The preceding words in parentheses were modified by the 27th Amendment.)** They shall in all Cases, except Treason, Felony and Breach of the Peace, be privileged from Arrest during their Attendance at the Session of their respective Houses, and in going to and returning from the same; and for any Speech or Debate in either House, they shall not be questioned in any other Place.

No Senator or Representative shall, during the Time for which he was elected, be appointed to any civil Office under the Authority of the United States which shall have been created, or the Emoluments whereof shall have been increased during such time; and no Person holding any Office under the United States, shall be a Member of either House during his Continuance in Office.

Section 7 - Revenue Bills, Legislative Process, Presidential Veto

All bills for raising Revenue shall originate in the House of Representatives; but the Senate may propose or [concur](#) with Amendments as on other Bills.

Every Bill which shall have passed the House of Representatives and the Senate, shall, before it become a Law, be presented to the President of the United States; If he approve he shall sign it, but if not he shall return it, with his Objections to that House in which it shall have originated, who shall enter the Objections at large on their Journal, and proceed to reconsider it. If after such Reconsideration two thirds of that House shall agree to pass the Bill, it shall be sent, together with the Objections, to the other House, by which it shall likewise be reconsidered, and if approved by two thirds of that House, it shall become a Law. But in all such Cases the Votes of both Houses shall be determined by Yeas and Nays, and the Names of the Persons voting for and against the Bill shall be entered on the Journal of each House respectively. If any Bill shall not be returned by the President within ten Days (Sundays excepted) after it shall have been presented to him, the Same shall be a Law, in like Manner as if he had signed it, unless the Congress by their [Adjournment](#) prevent its Return, in which Case it shall not be a Law.

Every Order, Resolution, or Vote to which the [Concurrence](#) of the Senate and House of Representatives may be necessary (except on a question of [Adjournment](#)) shall be presented to the President of the United States; and before the Same shall take Effect, shall be approved by him, or being disapproved by him, shall be repassed by two thirds of the Senate and House of Representatives, according to the Rules and Limitations prescribed in the Case of a Bill.

Section 8 - Powers of Congress

The Congress shall have Power To lay and collect Taxes, Duties, [Imposts](#) and [Excises](#), to pay the Debts and provide for the common Defence and general [Welfare](#) of the United States; but all Duties, [Imposts](#) and [Excises](#) shall be uniform throughout the United States;

To borrow money on the credit of the United States;

To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes;

To establish an uniform Rule of Naturalization, and uniform Laws on the subject of Bankruptcies throughout the United States;

To coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures;

To provide for the Punishment of counterfeiting the Securities and current Coin of the United States;

To establish Post Offices and [Post Roads](#);

To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries;

To constitute Tribunals inferior to the supreme Court;

To define and punish Piracies and Felonies committed on the high Seas, and Offenses against the Law of Nations;

To declare War, grant [Letters of Marque](#) and [Reprisal](#), and make Rules concerning Captures on Land and Water;

To raise and support Armies, but no Appropriation of Money to that Use shall be for a longer Term than two Years;

To provide and maintain a Navy;

To make Rules for the Government and Regulation of the land and naval Forces;

To provide for calling forth the Militia to execute the Laws of the Union, suppress Insurrections and repel Invasions;

To provide for organizing, arming, and disciplining the Militia, and for governing such Part of them as may be employed in the Service of the United States, reserving to the States respectively, the Appointment of the Officers, and the Authority of training the Militia according to the discipline prescribed by Congress;

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, dock-Yards, 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.

Section 9 - Limits on Congress

The Migration or Importation of such Persons as any of the States now existing shall think proper to admit, shall not be prohibited by the Congress prior to the Year one thousand eight hundred and eight, but a tax or duty may be imposed on such Importation, not exceeding ten dollars for each Person.

The privilege of the Writ of [Habeas Corpus](#) shall not be suspended, unless when in Cases of Rebellion or Invasion the public Safety may require it.

No Bill of [Attainder](#) or [ex post facto](#) Law shall be passed.

(No capitation, or other direct, Tax shall be laid, unless in Proportion to the Census or [Enumeration](#) herein before directed to be taken.) (Section in parentheses clarified by the [16th Amendment](#).)

No Tax or Duty shall be laid on Articles exported from any State.

No Preference shall be given by any Regulation of Commerce or Revenue to the Ports of one State over those of another: nor shall Vessels bound to, or from, one State, be obliged to enter, clear, or pay Duties in another.

No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.

No [Title of Nobility](#) shall be granted by the United States: And no Person holding any Office of Profit or Trust under them, shall, without the Consent of the Congress, accept of any present, [Emolument](#), Office, or Title, of any kind whatever, from any King, Prince or foreign State.

Section 10 - Powers prohibited of States

No State shall enter into any Treaty, Alliance, or Confederation; grant [Letters of Marque](#) and [Reprisal](#); coin Money; emit [Bills of Credit](#); make any Thing but gold and silver Coin a Tender in Payment of Debts; pass any Bill of [Attainder](#), [ex post facto](#) Law, or Law impairing the Obligation of Contracts, or grant any [Title of Nobility](#).

No State shall, without the Consent of the Congress, lay any [Imposts](#) or Duties on Imports or Exports, except what may be absolutely necessary for executing [it's](#) inspection Laws: and the net Produce of all Duties and [Imposts](#), laid by any State on Imports or Exports, shall be for the Use of the Treasury of the United States; and all such Laws shall be subject to the Revision and [Controul](#) of the Congress.

No State shall, without the Consent of Congress, lay any duty of Tonnage, keep Troops, or Ships of War in time of Peace, enter into any Agreement or Compact with another State, or with a foreign Power, or engage in War, unless actually invaded, or in such imminent Danger as will not admit of delay.

Article. II. - The Executive Branch [Note](#)

Section 1 - The President [Note1](#) [Note2](#)

The executive Power shall be vested in a President of the United States of America. He shall hold his Office during the Term of four Years, and, together with the Vice-President chosen for the same Term, be elected, as follows:

Each State shall appoint, in such Manner as the Legislature thereof may direct, a Number of Electors, equal to the whole Number of Senators and Representatives to which the State may be entitled in the Congress: but no Senator or Representative, or Person holding an Office of Trust or Profit under the United States, shall be appointed an Elector.

(The Electors shall meet in their respective States, and vote by Ballot for two persons, of whom one at least shall not lie an Inhabitant of the same State with themselves. And they shall make a List of all the Persons voted for, and of the Number of Votes for each; which List they shall sign and certify, and transmit sealed to the Seat of the Government of the United States, directed to the President of the Senate. The President of the Senate shall, in the Presence of the Senate and House of Representatives, open all the Certificates, and the Votes shall then be counted. The Person having the greatest Number of Votes shall be the President, if such Number be a Majority of the whole Number of Electors appointed; and if there be more than one who have such Majority, and have an equal Number of Votes, then the House of Representatives shall immediately [chuse](#) by Ballot one of them for President; and if no Person have a Majority, then from the five highest on the List the said House shall in like Manner [chuse](#) the President. But in [chusing](#) the President, the Votes shall be taken by States, the Representation from each State having one Vote; a [quorum](#) for this Purpose shall consist of a Member or Members from two-thirds of the States, and a Majority of all the States shall be necessary to a Choice. In every Case, after the Choice of the President, the Person having the greatest Number of Votes of the Electors shall be the Vice President. But if there should remain two or more who have equal Votes, the Senate shall [chuse](#) from them by Ballot the Vice-President.) (This clause in parentheses was superseded by the [12th Amendment](#).)

The Congress may determine the Time of [chusing](#) the Electors, and the Day on which they shall give their Votes; which Day shall be the same throughout the United States.

No person except a natural born Citizen, or a Citizen of the United States, at the time of the Adoption of this Constitution, shall be eligible to the Office of President; neither shall any Person be eligible to that Office who shall not have attained to the Age of thirty-five Years, and been fourteen Years a Resident within the United States.

(In Case of the Removal of the President from Office, or of his Death, Resignation, or Inability to discharge the Powers and Duties of the said Office, the same shall devolve on the Vice President, and the Congress may by Law provide for the Case of Removal, Death, Resignation or Inability, both of the President and Vice President, declaring what Officer shall then act as President, and such Officer shall act accordingly, until the Disability be removed, or a President shall be elected.) (This clause in parentheses has been modified by the [20th](#) and [25th Amendments](#).)

The President shall, at stated Times, receive for his Services, a Compensation, which shall neither be increased nor diminished during the Period for which he shall have been elected, and he shall not receive within that Period any other [Emolument](#) from the United States, or any of them.

Before he enter on the Execution of his Office, he shall take the following Oath or Affirmation:

"I do solemnly swear (or affirm) that I will faithfully execute the Office of President of the United States, and will to the best of my Ability, preserve, protect and defend the Constitution of the United States."

Section 2 - Civilian Power over Military, Cabinet, Pardon Power, Appointments

The President shall be Commander in Chief of the Army and Navy of the United States, and of the Militia of the several States, when called into the actual Service of the United States; he may require the Opinion, in writing, of the principal Officer in each of the executive Departments, upon any subject relating to the Duties of their respective Offices, and he shall have Power to Grant Reprieves and Pardons for Offenses against the United States, except in Cases of [Impeachment](#).

He shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two thirds of the Senators present [concur](#); and he shall nominate, and by and with the Advice and Consent of the Senate, shall appoint Ambassadors, other public Ministers and Consuls, Judges of the supreme Court, and all other Officers of the United States, whose Appointments are not herein otherwise provided for, and which shall be established by Law: but the Congress may by Law vest the Appointment of such inferior Officers, as they think proper, in the President alone, in the Courts of Law, or in the Heads of Departments.

The President shall have Power to fill up all Vacancies that may happen during the Recess of the Senate, by granting Commissions which shall expire at the End of their next Session.

Section 3 - State of the Union, Convening Congress

He shall from time to time give to the Congress Information of the State of the Union, and recommend to their Consideration such Measures as he shall judge necessary and expedient; he may, on extraordinary Occasions, convene both Houses, or either of them, and in Case of Disagreement between them, with Respect to the Time of [Adjournment](#), he may [adjourn](#) them to such Time as he shall think proper; he shall receive Ambassadors and other public Ministers; he shall take Care that the Laws be faithfully executed, and shall Commission all the Officers of the United States.

Section 4 - Disqualification

The President, Vice President and all civil Officers of the United States, shall be removed from Office on [Impeachment](#) for, and Conviction of, [Treason](#), Bribery, or other high Crimes and Misdemeanors.

Article III. - The Judicial Branch [Note](#)

Section 1 - Judicial powers

The judicial Power of the United States, shall be vested in one supreme Court, and in such inferior Courts as the Congress may from time to time [ordain](#) and establish. The Judges, both of the supreme and inferior Courts, shall hold their Offices during good Behavior, and shall, at stated Times, receive for their Services a Compensation which shall not be diminished during their Continuance in Office.

Section 2 - Trial by Jury, Original Jurisdiction, Jury Trials

(The judicial Power shall extend to all Cases, in Law and Equity, arising under this Constitution, the Laws of the United States, and Treaties made, or which shall be made, under their Authority; to all Cases affecting Ambassadors, other public Ministers and Consuls; to all Cases of admiralty and maritime [Jurisdiction](#); to Controversies to which the United States shall be a Party; to Controversies between two or more States; between a State and Citizens of another State; between Citizens of different States; between Citizens of the same State claiming Lands under Grants of different States, and between a State, or the Citizens thereof, and foreign States, Citizens or Subjects.) (This section in parentheses is modified by the [11th Amendment](#).)

In all Cases affecting Ambassadors, other public Ministers and Consuls, and those in which a State shall be Party, the supreme Court shall have original [Jurisdiction](#). In all the other Cases before mentioned, the supreme Court shall have [appellate Jurisdiction](#), both as to Law and Fact, with such Exceptions, and under such Regulations as the Congress shall make.

The Trial of all Crimes, except in Cases of [Impeachment](#), shall be by Jury; and such Trial shall be held in the State where the said Crimes shall have been committed; but when not committed within any State, the Trial shall be at such Place or Places as the Congress may by Law have directed.

Section 3 - Treason [Note](#)

[Treason](#) against the United States, shall consist only in levying War against them, or in adhering to their Enemies, giving them Aid and Comfort. No Person shall be convicted of [Treason](#) unless on the Testimony of two Witnesses to the same overt Act, or on Confession in open Court.

The Congress shall have power to declare the Punishment of [Treason](#), but no Attainder of [Treason](#) shall work [Corruption of Blood](#), or Forfeiture except during the Life of the Person attainted.

Article. IV. - The States

Section 1 - Each State to Honor all others

Full Faith and Credit shall be given in each State to the public Acts, Records, and judicial Proceedings of every other State. And the Congress may by general Laws prescribe the Manner in which such Acts, Records and Proceedings shall be proved, and the Effect thereof.

Section 2 - State citizens, Extradition

The Citizens of each State shall be entitled to all Privileges and Immunities of Citizens in the several States.

A Person charged in any State with [Treason](#), Felony, or other Crime, who shall flee from Justice, and be found in another State, shall on demand of the executive Authority of the State from which he fled, be delivered up, to be removed to the State having [Jurisdiction](#) of the Crime.

(No Person held to Service or [Labour](#) in one State, under the Laws thereof, escaping into another, shall, in Consequence of any Law or Regulation therein, be discharged from such Service or [Labour](#); But shall be delivered up on Claim of the Party to whom such Service or [Labour](#) may be due.) (This clause in parentheses is superseded by the [13th Amendment](#).)

Section 3 - New States

New States may be admitted by the Congress into this Union; but no new States shall be formed or erected within the [Jurisdiction](#) of any other State; nor any State be formed by the Junction of two or more States, or parts of States, without the Consent of the Legislatures of the States concerned as well as of the Congress.

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.

Section 4 - Republican government

The United States shall guarantee to every State in this Union a [Republican](#) Form of Government, and shall protect each of them against Invasion; and on Application of the Legislature, or of the Executive (when the Legislature cannot be convened) against domestic Violence.

Article. V. - Amendment [Note1](#) - [Note2](#) - [Note3](#)

The Congress, whenever two thirds of both Houses shall deem it necessary, shall propose Amendments to this Constitution, or, on the Application of the Legislatures of two thirds of the several States, shall call a Convention for proposing Amendments, which, in either Case, shall be valid to all Intents and Purposes, as part of this Constitution, when ratified by the Legislatures of three fourths of the several States, or by Conventions in three fourths thereof, as the one or the other Mode of Ratification may be proposed by the Congress; Provided that no Amendment which may be made prior to the Year One thousand eight hundred and eight shall in any Manner affect the [first](#) and [fourth](#) Clauses in the Ninth Section of the first Article; and that no State, without its Consent, shall be [deprived](#) of its equal Suffrage in the Senate.

Article. VI. - Debts, Supremacy, Oaths

All Debts contracted and Engagements entered into, before the Adoption of this Constitution, shall be as valid against the United States under this Constitution, as under the Confederation.

This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding.

The Senators and Representatives before mentioned, and the Members of the several State Legislatures, and all executive and judicial Officers, both of the United States and of the several States, shall be bound by Oath or Affirmation, to support this Constitution; but no religious Test shall ever be required as a Qualification to any Office or public Trust under the United States.

Article. VII. - Ratification [Documents](#)

The Ratification of the Conventions of nine States, shall be sufficient for the Establishment of this Constitution between the States so ratifying the Same.

Done in Convention by the Unanimous Consent of the States present the Seventeenth Day of September in the Year of our Lord one thousand seven hundred and Eighty seven and of the Independence of the United States of America the Twelfth. In Witness whereof We have hereunto subscribed our Names. [Note](#)

Go Washington - President and deputy from Virginia

New Hampshire - John Langdon, Nicholas Gilman

Massachusetts - Nathaniel Gorham, Rufus King

Connecticut - Wm Saml Johnson, Roger Sherman

New York - Alexander Hamilton

New Jersey - Wil Livingston, David Brearley, Wm Paterson, Jona. Dayton

[Pensylvania](#) - B Franklin, Thomas Mifflin, Robt Morris, Geo. Clymer, Thos FitzSimons, Jared Ingersoll, James Wilson, Gouv Morris

Delaware - Geo. Read, Gunning Bedford jun, John Dickinson, Richard Bassett, Jaco. Broom

Maryland - James McHenry, Dan of St Tho Jenifer, Danl Carroll

Virginia - John Blair, James Madison Jr.

North Carolina - Wm Blount, Richd Dobbs Spaight, Hu Williamson

South Carolina - J. Rutledge, Charles Cotesworth Pinckney, Charles Pinckney, Pierce Butler

Georgia - William Few, Abr Baldwin

Attest: William Jackson, Secretary

The Amendments [Note](#)

The following are the Amendments to the Constitution. The first ten Amendments collectively are commonly known as the [Bill of Rights](#). [History](#)

Amendment 1 - Freedom of Religion, Press, [Expression](#). [Ratified 12/15/1791](#). [Note](#)

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a [redress](#) of grievances.

Amendment 2 - Right to Bear Arms. [Ratified 12/15/1791](#). [Note](#)

A well regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be [infringed](#).

Amendment 3 - Quartering of Soldiers. [Ratified 12/15/1791](#). [Note](#)

No Soldier shall, in time of peace be [quartered](#) in any house, without the consent of the Owner, nor in time of war, but in a manner to be prescribed by law.

Amendment 4 - Search and Seizure. [Ratified 12/15/1791](#).

The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

Amendment 5 - Trial and Punishment, Compensation for Takings. [Ratified 12/15/1791](#).

No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the Militia, when in actual service in time of War or public danger; nor shall

any person [be subject for the same offense to be twice put in jeopardy of life or limb](#); nor shall be compelled in any criminal case to be a witness against himself, nor be [deprived](#) of life, liberty, or property, without [due process](#) of law; nor shall private property be taken for public use, without just compensation.

Amendment 6 - Right to Speedy Trial, Confrontation of Witnesses. [Ratified 12/15/1791](#).

In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an [impartial](#) jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor, and to have the Assistance of Counsel for his [defence](#).

Amendment 7 - Trial by Jury in Civil Cases. [Ratified 12/15/1791](#).

In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law.

Amendment 8 - Cruel and Unusual Punishment. [Ratified 12/15/1791](#).

Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted.

Amendment 9 - Construction of Constitution. [Ratified 12/15/1791](#).

The [enumeration](#) in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people.

Amendment 10 - Powers of the States and People. [Ratified 12/15/1791](#). [Note](#)

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

Amendment 11 - Judicial Limits. [Ratified 2/7/1795.](#) [Note History](#)

The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State.

Amendment 12 - Choosing the President, Vice-President. [Ratified 6/15/1804.](#) [Note History](#) [The Electoral College](#)

The Electors shall meet in their respective states, and vote by ballot for President and Vice-President, one of whom, at least, shall not be an inhabitant of the same state with themselves; they shall name in their ballots the person voted for as President, and in distinct ballots the person voted for as Vice-President, and they shall make distinct lists of all persons voted for as President, and of all persons voted for as Vice-President and of the number of votes for each, which lists they shall sign and certify, and transmit sealed to the seat of the government of the United States, directed to the President of the Senate;

The President of the Senate shall, in the presence of the Senate and House of Representatives, open all the certificates and the votes shall then be counted;

The person having the greatest Number of votes for President, shall be the President, if such number be a majority of the whole number of Electors appointed; and if no person have such majority, then from the persons having the highest numbers not exceeding three on the list of those voted for as President, the House of Representatives shall choose immediately, by ballot, the President. But in choosing the President, the votes shall be taken by states, the representation from each state having one vote; a [quorum](#) for this purpose shall consist of a member or members from two-thirds of the states, and a majority of all the states shall be necessary to a choice. And if the House of Representatives shall not choose a President whenever the right of choice shall devolve upon them, before the fourth day of March next following, then the Vice-President shall act as President, as in the case of the death or other constitutional disability of the President.

The person having the greatest number of votes as Vice-President, shall be the Vice-President, if such number be a majority of the whole number of Electors appointed, and if no person have a majority, then from the two highest numbers on the list, the Senate shall choose the Vice-President; a [quorum](#) for the purpose shall consist of two-thirds of the whole number of Senators, and a majority of the whole number shall be necessary to a

choice. But no person constitutionally ineligible to the office of President shall be eligible to that of Vice-President of the United States.

Amendment 13 - Slavery Abolished. [Ratified 12/6/1865.](#) [History](#)

1. Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their [jurisdiction](#).
 2. Congress shall have power to enforce this article by appropriate legislation.
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Amendment 14 - Citizenship Rights. [Ratified 7/9/1868.](#) [Note History](#)

1. All persons born or naturalized in the United States, and subject to the [jurisdiction](#) thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State [deprive](#) any person of life, liberty, or property, without [due process](#) of law; nor deny to any person within its [jurisdiction](#) the equal protection of the laws.
2. Representatives shall be [apportioned](#) among the several States according to their respective numbers, counting the whole number of persons in each State, excluding Indians not taxed. But when the right to vote at any election for the choice of electors for President and Vice-President of the United States, Representatives in Congress, the Executive and Judicial officers of a State, or the members of the Legislature thereof, is denied to any of the male inhabitants of such State, being twenty-one years of age, and citizens of the United States, or in any way abridged, except for participation in rebellion, or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens twenty-one years of age in such State.
3. No person shall be a Senator or Representative in Congress, or elector of President and Vice-President, or hold any office, civil or military, under the United States, or under any State, who, having previously taken an oath, as a member of Congress, or as an officer of the United States, or as a member of any State legislature, or as an executive or judicial officer of any State, to support the Constitution of the United States, shall have engaged in insurrection or rebellion against the same, or given aid or comfort to the enemies thereof. But Congress may by a vote of two-thirds of each House, remove such disability.
4. The validity of the public debt of the United States, authorized by law, including debts incurred for payment of pensions and bounties for services in suppressing insurrection or rebellion, shall not be questioned. But neither the United States nor any State shall

assume or pay any debt or obligation incurred in aid of insurrection or rebellion against the United States, or any claim for the loss or emancipation of any slave; but all such debts, obligations and claims shall be held illegal and void.

5. The Congress shall have power to enforce, by appropriate legislation, the provisions of this article.

Amendment 15 - Race No Bar to Vote. [Ratified 2/3/1870.](#) [History](#)

1. The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.

2. The Congress shall have power to enforce this article by appropriate legislation.

Amendment 16 - Status of Income Tax Clarified. [Ratified 2/3/1913.](#) [Note History](#)

The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without [apportionment](#) among the several States, and without regard to any census or [enumeration](#).

Amendment 17 - Senators Elected by Popular Vote. [Ratified 4/8/1913.](#) [History](#)

The Senate of the United States shall be composed of two Senators from each State, elected by the people thereof, for six years; and each Senator shall have one vote. The electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislatures.

When vacancies happen in the representation of any State in the Senate, the executive authority of such State shall issue writs of election to fill such vacancies: Provided, That the legislature of any State may empower the executive thereof to make temporary appointments until the people fill the vacancies by election as the legislature may direct.

This amendment shall not be so construed as to affect the election or term of any Senator chosen before it becomes valid as part of the Constitution.

Amendment 18 - Liquor Abolished. [Ratified 1/16/1919.](#) Repealed by [Amendment 21, 12/5/1933.](#) [History](#)

1. After one year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the [jurisdiction](#) thereof for beverage purposes is hereby prohibited.
2. The Congress and the several States shall have concurrent power to enforce this article by appropriate legislation.
3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the several States, as provided in the Constitution, within seven years from the date of the submission hereof to the States by the Congress.

Amendment 19 - Women's [Suffrage](#). [Ratified 8/18/1920](#). [History](#)

The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of sex.

Congress shall have power to enforce this article by appropriate legislation.

Amendment 20 - Presidential, Congressional Terms. [Ratified 1/23/1933](#). [History](#)

1. The terms of the President and Vice President shall end at noon on the 20th day of January, and the terms of Senators and Representatives at noon on the 3d day of January, of the years in which such terms would have ended if this article had not been ratified; and the terms of their successors shall then begin.
2. The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 3d day of January, unless they shall by law appoint a different day.
3. If, at the time fixed for the beginning of the term of the President, the President elect shall have died, the Vice President elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the President elect shall have failed to qualify, then the Vice President elect shall act as President until a President shall have qualified; and the Congress may by law provide for the case wherein neither a President elect nor a Vice President elect shall have qualified, declaring who shall then act as President, or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President or Vice President shall have qualified.
4. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from

whom the Senate may choose a Vice President whenever the right of choice shall have devolved upon them.

5. Sections 1 and 2 shall take effect on the 15th day of October following the ratification of this article.

6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission.

Amendment 21 - [Amendment 18 Repealed](#). [Ratified 12/5/1933](#). [History](#)

1. The eighteenth article of amendment to the Constitution of the United States is hereby repealed.

2. The transportation or importation into any State, Territory, or possession of the United States for delivery or use therein of intoxicating liquors, in violation of the laws thereof, is hereby prohibited.

3. The article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by conventions in the several States, as provided in the Constitution, within seven years from the date of the submission hereof to the States by the Congress.

Amendment 22 - Presidential Term Limits. [Ratified 2/27/1951](#). [History](#)

1. No person shall be elected to the office of the President more than twice, and no person who has held the office of President, or acted as President, for more than two years of a term to which some other person was elected President shall be elected to the office of the President more than once. But this Article shall not apply to any person holding the office of President, when this Article was proposed by the Congress, and shall not prevent any person who may be holding the office of President, or acting as President, during the term within which this Article becomes operative from holding the office of President or acting as President during the remainder of such term.

2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission to the States by the Congress.

Amendment 23 - Presidential Vote for District of Columbia. [Ratified 3/29/1961](#). [History](#)

1. The District constituting the seat of Government of the United States shall appoint in such manner as the Congress may direct: A number of electors of President and Vice President equal to the whole number of Senators and Representatives in Congress to which the District would be entitled if it were a State, but in no event more than the least populous State; they shall be in addition to those appointed by the States, but they shall be considered, for the purposes of the election of President and Vice President, to be electors appointed by a State; and they shall meet in the District and perform such duties as provided by the twelfth article of amendment.
 2. The Congress shall have power to enforce this article by appropriate legislation.
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Amendment 24 - [Poll Tax Barred](#). [Ratified 1/23/1964](#). [History](#)

1. The right of citizens of the United States to vote in any primary or other election for President or Vice President, for electors for President or Vice President, or for Senator or Representative in Congress, shall not be denied or abridged by the United States or any State by reason of failure to pay any [poll tax](#) or other tax.
 2. The Congress shall have power to enforce this article by appropriate legislation.
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Amendment 25 - [Presidential Disability and Succession](#). [Ratified 2/10/1967](#). [Note History](#)

1. In case of the removal of the President from office or of his death or resignation, the Vice President shall become President.
2. Whenever there is a vacancy in the office of the Vice President, the President shall nominate a Vice President who shall take office upon confirmation by a majority vote of both Houses of Congress.
3. Whenever the President transmits to the President pro tempore of the Senate and the Speaker of the House of Representatives his written declaration that he is unable to discharge the powers and duties of his office, and until he transmits to them a written declaration to the contrary, such powers and duties shall be discharged by the Vice President as Acting President.
4. Whenever the Vice President and a majority of either the principal officers of the executive departments or of such other body as Congress may by law provide, transmit to the President pro tempore of the Senate and the Speaker of the House of Representatives their written declaration that the President is unable to discharge the powers and duties of his office, the Vice President shall immediately assume the powers and duties of the office as Acting President.

Thereafter, when the President transmits to the President pro tempore of the Senate and the Speaker of the House of Representatives his written declaration that no inability exists, he shall resume the powers and duties of his office unless the Vice President and a majority of either the principal officers of the executive department or of such other body as Congress may by law provide, transmit within four days to the President pro tempore of the Senate and the Speaker of the House of Representatives their written declaration that the President is unable to discharge the powers and duties of his office. Thereupon Congress shall decide the issue, assembling within forty eight hours for that purpose if not in session. If the Congress, within twenty one days after receipt of the latter written declaration, or, if Congress is not in session, within twenty one days after Congress is required to assemble, determines by two thirds vote of both Houses that the President is unable to discharge the powers and duties of his office, the Vice President shall continue to discharge the same as Acting President; otherwise, the President shall resume the powers and duties of his office.

Amendment 26 - Voting Age Set to 18 Years. [Ratified 7/1/1971.](#) [History](#)

1. The citizens of the Constitutional Republic of United States, who are twenty one years of age or older and have honorably served for two years in the Militia, or have been honorably discharged from service in the Militia after completing a two year term shall have the right to vote. Those citizens who attained the right to vote as citizens of the United States and upon swearing a public oath to support and defend the Constitution and the Constitutional Republic of the United States and accepting an appointment in the Militia, shall have the right to vote. Those citizens who have served in the Armed Forces, local, state or federal law enforcement or emergency services of the United States and who were honorably discharged from that service, shall have the right to vote upon swearing a public oath to support and defend the Constitution and the Constitutional Republic of the United States.
 2. The Congress shall have power to enforce this article by appropriate legislation.
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Amendment 27 - Limiting Congressional Pay Increases. [Ratified 5/7/1992.](#) [History](#)

No law, varying the compensation for the services of the Senators and Representatives, shall take effect, until an election of Representatives shall have intervened. The Congress shall pass no law, to which the Senators, Representatives, and the members of their staffs shall not be subject.

The use of the pseudonym Publius is a tribute to Alexander Hamilton, James Madison, and John Jay, the authors of The Federalist Papers.

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