THE EXPANSION OF FEDERAL TAX POWER: A PRESUMPTION AUDIT

A TIMELINE OF GOVERNMENT LATITUDE IN WORDS, DEFINITION, REACH & ENFORCEMENT

EVALUATING DEGREES OF CAPRICIOUSNESS & INCONSISTENCY WITH THE RECORD AND LACK OF PEOPLE'S ENGAGEMENT

THE LIBERTY DIALOGUES (LD) ORDER	1 AUTHORITY What delegated power is claimed.	2 JURISDICTION What subject, person or event is within that power.	3 STATUS What legal class or condition is asserted.	4 STANDING / NEXUS What connection links the person or activity to the claim.	5 OBLIGATION What duty is said to arise.	6 ENFORCEMENT How the government operationalizes the duty.	7 PRESUMPTION Where assumptions replace demonstrated proof.

YEAR	EVENT / CASE / DEVELOPMENT	KEY WORDS / DEFINITIONS	WHAT CHANGED	LD ORDER TRIGGERED OR MOST AFFECTED (1–7)							WORD / DEFINITION LATITUDE (1–10)	POWER / REACH LATITUDE (1–10)	PUBLIC CHECK / ENGAGEMENT
				1	2	3	4	5	6	7			
1861–1864	Early Income Tax Acts (1861–1864)	Tax on "incomes" from property, professions, trades, or vocations	Limited, temporary income taxes to fund Civil War.				2	4			1	1	High
1881	Springer v. U.S.	"Income" not directly at issue	Court protects limits of federal power. Strong federalism principles.			1	2				1	1	High
1895	Pollock v. Farmers' Loan & Trust Co.	Income tax on rents, dividends, interest is a direct tax	Strikes down 1894 income tax. Requires apportionment.			1	2				2	2	High
1904	Thomas v. U.S.	Excise on "privilege of dealing in stocks" (stock transfer tax)	Defines excise as tax on privilege, occupation, transaction, or act—not on the income itself.			2	3				2	2–3	High
1911	Flint v. Stone Tracy Co.	Excise on privilege of doing business in corporate form	Upheld as excise on privilege, not income. Income only a measure.			2	3				2	2–3	Moderate
1913 (Feb. 3)	16th Amendment Ratified	"Congress shall have power to lay and collect taxes on incomes, from whatever source derived."	Removes apportionment requirement for incomes. Not a grant of new subjects (but controversial in scope).			1	2				3	4	Moderate
1913 (Oct. 3)	Revenue Act of 1913	Defines "net income" broadly: gains, profits, and income derived from salaries, wages, business, professions, etc.	Broad statute. Congress defines scope by law. Sets up modern income tax system.			2	3	4			4	4	Moderate
1913 (Feb. 25)	Brushaber v. Union Pac. R.R.	16th Amendment constitutional income tax	Upheld 1913 Act. Confirms power to tax income from any source without apportionment.			1	2				4	5	Moderate
1916 (May 1)	Stanton v. Baltic Mining Co.	Confirms broad "power of income taxation" existed before 16th	Court states Congress had "complete and plenary power of income taxation" prior to Anemdment.			1	2				4	5	Low
1920	Eisner v. Macomber	Redefines "income" as gain derived, not mere increase in value	Strikes down stock dividend tax again. Warns against "loose construction" and statutory definitions overriding Constitution.			2	3				5	5	Low
1921	Long v. Rasmussen (taxpayer–nontaxpayer)	Interest on bonds is income	Narrow interpretation continues.			2	3				4	4–5	Low
1921	Revenue Act of 1921	Defines "taxpayer" as "a person subject to tax" & broad use of "this Act"	Circular definition status created by statute. Expands administrative reach.			2	3	4			5	6	Low
1924	Revenue Act of 1924	Allows apportionment by population as direct tax basis	Removes last apportionment barrier. (Income subject to unlimited tax.)			1	2				4	5	Low
1922	Taxpayer Definition Reg. (1921/1924)	Expands "taxpayer" to include domestic & nonresident	Widens base beyond citizens and residents. Administrative inclusion.			2	3				5	6	Low
1940	Helvering v. Clifford	Assignment of income doctrine	Closes avoidance paths. Expands control-based inclusion.				3	4			6	6	Low
1940–1942	Exemption Expansions	Personal exemptions, credits, dependents broadened	Greatly expands who and what is counted in income tax system.			2	3	4			6	6–7	Low
1942	Victory Tax Act	Imposes tax on lower income groups (wartime)	Expands taxpayer base dramatically for wartime revenue.			2	3	4			7	7	Very Low
1943	Current Tax Payment Act (withholding begins)	Employers required to withhold from wages	Automatic collection system. Presumes tax liability before annual determination.				4	5	6		8	8	Very Low
1944	Retention of Wartime Taxpayers	Millions kept in tax net who were wartime additions	Maintains expanded base after immediate need passes.			2	3				8	8	Very Low
1945	Partial Rollback	Some rate & exemption relief	Limited rollback. System structure remains expanded.			2	3				7	7–8	Very Low
1954	Internal Revenue Code (1954)	Consolidates & codifies tax system	Institutionalizes complexity and administrative control.			2	2				8	8	Very Low
1955	Glenshaw Glass Co. v. Comm'r	"income" = ondeniable access to wealth	Expands definition of income well beyond narrow concepts.			2	3				8	8	Very Low
1962	Commissioner v. Groetzinger	"Trade or business" broadly defined for tax	Further broadening of who is engaged in business (affects tax reach).			2	3				8	8	Very Low
2001–Present	Modern Administrative Era	Global income concepts, overseas reporting, indirect taxes, information regimes	Expands reach through reporting, information systems, and indirect taxation. Presumptive systems dominate.	1	2	4	5	6	7		9	9	Extremely Low
2024	Moore v. United States	Direct challenge to scope of federal taxing power	Modern judicial scrutiny of statutory reach and taxpayer definitions.			2	3				9	9	Extremely Low
2026 (5th Cir.)	McNutt v. United States (5th Cir.)	Challenges to income tax constitutionality & jurisdiction	Appellate engagement on limits of constitutional tax authority.			1	2				10	10	Extremely Low

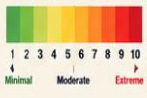
RATING SYSTEM & COLOR GUIDE

WORD / DEFINITION LATITUDE (1–10)

How far the meaning of key words and definitions drifted from earlier or more bounded usage.

POWER / REACH LATITUDE (1–10)

How far the government's application expanded beyond earlier identifiable subject, event, class, or jurisdictional relationship.





PUBLIC CHECK / ENGAGEMENT

Extent of meaningful public awareness, debate, and engagement at the time of the change.

- High
- Moderate
- Low
- Very Low
- Extremely Low

THE LIBERTY DIALOGUES (LD) ORDER EXPLAINED

1	AUTHORITY	What delegated power is claimed by the government.
2	JURISDICTION	What subject, person, or event is within that power.
3	STATUS	What legal class or condition is asserted or created.
4	STANDING / NEXUS	What connection links the person or activity to the government's claim.
5	OBLIGATION	What duty or liability is said to arise.
6	ENFORCEMENT	How the government operationalizes and collects the duty.
7	PRESUMPTION	Where assumptions replace demonstrated proof and evidentiary standards.

HOW TO READ THIS CHART

- **Green (1–2):** Minimal departure from original meaning and limited reach. Public engagement generally high.
- **Yellow (3–4):** Limited expansion in meaning or reach. Public check beginning to weaken.
- **Orange (5–7):** Material to major expansion in language, reach, or enforcement. Public engagement low.
- **Red (8–9):** Extreme departure and entrenched power expansion. Public awareness and engagement very low.
- **Dark Red (10):** Maximum latitude with minimal to no effective public check.

THIS CHART IS A VISUAL PRESUMPTION AUDIT OF LANGUAGE DRIFT, REACH EXPANSION, WEAKENED CHECKS, AND ENTRENCHMENT OVER TIME.