WORDS, MEANINGS, AND FEDERAL TAX POWER: A SEMANTIC PRESUMPTION AUDIT

A timeline of how key tax terms and definitions shifted through cases, statutes, and administration

THE LIBERTY DIALOGUES ORDER (LD)

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

1 YEAR	2 EVENT / CASE / DEVELOPMENT	3 FOCAL WORD OR PHRASE	4 EARLIER / BOUNDED MEANING	5 LATER / EXPANDED OR PRESUMED MEANING	6 WHAT SHIFT OCCURRED	7 LD ORDER POINT TRIGGERED	8 WORD LATITUDE (1–10)	9 CONTROL EXPANSION RISK (1–10)	10 PUBLIC CHECK / ENGAGEMENT
1789–1794	Early Republic tax structure	"duty", "excise", "carriage", "spirits"	Terms tied to defined objects or activities.	Later code and practice stretched terms to new goods and broad classifications.	From concrete objects/acts to flexible administrative classification.	1 2 3	2	2	High
1861–1864	Early Income Tax Acts	"incomes" from professions, trades, employments, vocations	Limited wartime tax structure on specified income.	Broader income categories; war necessity normalized temporary reach.	Wartime exception begins habituation to broad income taxation.	1 2 5	3	3	High
1881	Springer v. United States	"income tax" and direct/indirect distinction	Income tax viewed as direct tax requiring apportionment.	Door opened to reframe income tax as indirect or otherwise justified.	Conceptual maneuvering around apportionment constraint.	1 2	3	4	High
1895	Pollock v. Farmers' Loan & Trust	"income from property", "direct tax"	Income from property considered direct tax; source sensitivity heightened.	Pressure to erode property-based limits and broaden income description.	Source-sensitivity challenged; breadth pressures increase.	2 3	4	5	Moderate
1904	Thomas v. United States	"excise", "privilege", "transaction", "absolute and unavoidable demand"	Tax tied to a specific stock-sale event; transactional.	Administrative tendency to generalize similar events and activities.	From event-specific to category-like treatment.	2 3 4	4	5	Moderate
1911	Flint v. Stone Tracy Co.	"privilege", "doing business in corporate form", "income as measure"	Subject (privilege) distinct from measure (income).	Income-as-measure logic expands into broader subject reach.	Measure begins to drive subject reach.	2 4 5	4	5	Moderate
1913	Sixteenth Amendment ratified	"taxes on incomes, from whatever source derived"	Preserve separate concepts: income / derived / source.	Phrase later read as broad grant covering nearly all gain.	Constitutional language treated as expansion rather than boundary.	1 2 3	4	5	Moderate
1913	Revenue Act of 1913	"gains, profits, and income derived" from salaries, vocations, business, property	Tax on income derived from stated sources.	Administrative practice broadens categories and examples.	From enumerated sources to open-ended administrative reach.	2 3 4	4	5	Moderate
1913	Stratton's Independence v. Howbert	"gain derived from capital, labor, or both", mining analogy	Gain tied to severance or extraction.	Analogies used to enlarge notion of derived gain.	From extraction model to wider analogical reach.	2 3 4	4	5	Moderate
1916	Brushaber v. Union Pacific	Sixteenth Amendment removes apportionment obstacle	No apportionment required.	Encourages expansive reading of what counts as income.	Constraint removed; breadth risk begins.	1 2 4	5	6	Low
1916	Stanton v. Baltic Mining	"no new power of taxation", "complete and plenary power", "results of carrying on mining operations"	Tension: no new power, yet broad interpretive door open.	Broader operational results can be classified as income.	Operationalizing activity results as taxable.	2 3 4	5	6	Low
1920	Eisner v. Macomber	"derived from", "gain", "severed from capital", "loose construction"	Reasserts source/derivation boundary; severance matters.	Loose construction caveat invokes broader administrative interpretation.	Boundary reasserted yet undercut by flexibility language.	2 3 4	5	6	Low
1921	Revenue Act definition	"taxpayer" = person subject to a tax imposed by the Act	Taxpayer defined but context-limited.	Definition becomes elastic across programs and categories.	From defined to elastic administrative category.	2 3	5	6	Low
1922	Long v. Rasmussen	"taxpayer" vs "nontaxpayer"	Categories distinguished.	Nontaxpayer category shrinks administratively.	Categorical boundaries narrow.	2 3	5	6	Low
1924	Revenue Act of 1924	Taxpayer definition reinforced	Definitions restated and refined.	Administrative reach widens through definitions.	Definition becomes reach tool.	2 3	5	6	Low
1937	Steward Machine Co. v. Davis	"activities pursued as of common right"	Privilege standard tied to special grants.	Common-right activities pulled into tax base.	Privilege → common-right activity shift.	2 4 5	6	7	Very Low
1940–1942	Exemption Reductions	"tax base", "personal exemption"	Larger exemptions protected privacy and basic needs.	Monetary thresholds lowered; tax base captures more people.	Threshold architecture narrows practical exclusion.	2 3 5	6	7	Very Low
1942	Victory Tax Act	"Victory Tax", broadening down into lower income groups	Higher-income focus.	Tax pulled down into lower income brackets.	Base broadening into lower incomes.	2 5 6	7	7	Very Low
1943	Current Tax Payment Act	"withholding", "current payment"	Payment after filing and audit.	Withholding and current payment made default.	Presumption of liability before final check.	5 6 7	7	8	Very Low
1944	Retention of wartime taxpayers	Millions retained via normal tax after repeal of Victory Tax	Emergency program expected to end.	Permanent retention of widened taxpayer base.	Emergency measures become permanent.	2 5 6	7	8	Very Low
1945	Partial rollback	Wartime-only acknowledgment for lowest group	Some rollback of lowest taxpayers.	System structure otherwise largely unchanged.	Minimal rollback of scope, not structure.	2 4 5	6	7	Very Low
1954	Internal Revenue Code	Codification, system consolidation	Law in many parts.	Consolidated code standardizes broad reach.	Codification locks in broad system.	1 2 3 4 5	7	8	Very Low
1955	Commissioner v. Glenshaw Glass	"undeniable accessions to wealth"	Gain-derived and severance focus.	Accessions language broadens beyond source/derivation.	New vocabulary enlarges income concept.	2 3 4 5	8	8	Very Low
1962	Commissioner v. Groetzinger	"trade or business" broadly treated	Regular, continuous activity standard.	Broad interpretation of business activity.	Scope widens via flexible standard.	2 4 5	8	8	Very Low
2001–present	Modern administrative era	Reporting, withholding, presumption, system-wide administrative categories	Self-reporting with review.	System presumes liability and requires reporting as default.	Presumption architecture embedded system-wide.	5 6 7	9	9	Extremely Low
2024	Moore v. United States	Income vs property / realization boundary remains contested	Realization and property lines still matter.	Government position pushes for broad income characterization.	Boundary contested; breadth pressure continues.	2 3 4 5	8	8	Very Low
2026	McNutt v. United States (5th Cir.)	Longevity does not cure lack of enumerated authority	Enumerated authority required.	Administrative habit cited as justification risk increases.	Reminder against drift and unbounded reach.	1 2 3 4 7	10	10	Extremely Low

A. RATING SYSTEM

WORD LATITUDE (1–10)
How broad, elastic, or open-ended the term became over time.

- 1–2 Very narrow, concrete, context-bound
- 3–4 Moderately descriptive
- 5–7 Broad, flexible, multi-meaning
- 8–9 Very broad, highly elastic
- 10 Completely open-ended / catch-all

CONTROL EXPANSION RISK (1–10)
How much the semantic shift increased the government's ability to expand reach and reduce effective public checks.

- 1–2 Minimal risk
- 3–4 Low risk
- 5–7 Moderate risk
- 8–9 High risk
- 10 Extreme risk

B. LIBERTY DIALOGUES ORDER (LD)

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 or liability is said to arise.
6. **Enforcement** – How the government operationalizes the duty.
7. **Presumption** – Where assumptions replace demonstrated proof.

C. HOW TO READ THE CHART

- Timeline shows the evolution of key tax words and definitions across time.
- Earlier meaning vs. later meaning columns highlight semantic drift.
- "What Shift Occurred" explains the movement from narrow to broad or from category to presumption.
- LD Order Points show which liberty stage(s) are impacted by the change.
- Scores rate how much word latitude grew and how much control expansion risk increased.
- Public check column shows how practical engagement and meaningful review declined.

This chart maps semantic drift, category expansion, and the movement from demonstrated authority toward administrative presumption.